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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF JANUARY 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of January, 1988, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Carl D. Gustavson
Melvin D. Lee

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and the following were absent:

H. Jesse Arnelle (arrived 4:20 p.m.)
Leroy King

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of November 10, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of November 17, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On January 7, 1988, the Human Services Committee of the Board of Supervisors approved the redesignation of the Hunters Point Neighborhood Facility to the Earl P. Mills Memorial Community Center. This should be before the full Board next week.
- (b) Over the weekend, there was a fire in the Oriental Warehouse (a Landmark Building in Rincon Point-South Beach). Staff is now waiting for an assessment of the damages and the next steps to be taken regarding this property.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) On January 11, Edmund Ong and Mr. Helfeld viewed the large scale exterior color samples for the Bayside Village in South Beach and find them satisfactory. If any Commissioner wishes to view them at the site, arrangements will be made.
- (d) After sixteen years with the Agency, Demetrio Salvador, Chief of Engineering, will be retiring in February. There will be a reception on January 28.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of an amendment to the Agreement with Morris Bernstein for Parcel 714-A(2) located at the northwest corner of Van Ness Avenue and Myrtle Street in the Western Addition Area A-2. The amendment will revise the performance schedule by adding approximately six months to all performance dates.

Mr. Gustavson indicated he would abstain from voting on this item as he is on the Board of Directors of United Savings Bank, and it appears that a subsidiary of this bank was one time involved in this project.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 11-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Third Amendment to the Agreement with Barton-Aschman Associates, Inc. to evaluate parking options for the Yerba Buena Gardens Development. As a result of the Convention Center Expansion, Barton-Aschman was authorized to evaluate parking alternatives. The length of time of the discussions has resulted in additional work and costs of about \$5,000 for the contractor. Replacement parking is still an issue and \$5,000 has been added to provide for future services not to exceed \$10,000, which brings the total contract amount to \$47,200. The City will reimburse the Agency for work directly related to the Convention Center Expansion.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 12-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Personal Services Contract with Syska and Hennessy, Inc., Engineers in an amount not to exceed \$25,000 to provide a Mechanical-Electrical Systems Alternatives Study for the CB-2 and CB-3 City and Agency facilities in Yerba Buena Center. The City will reimburse the Agency for half the costs. The study will be a joint venture of Syska-Hennessy, Inc., mechanical engineers for the convention center expansion, and Takahashi Consulting Engineers, Inc., mechanical engineers for the

NEW BUSINESS (continued)

Agency's cultural facilities, esplanade and appurtenances, who will work as a subconsultant. The Study, to be completed by March 1, 1988, will examine the physical, functional and economic feasibility and benefits of a central mechanical and electrical plant. After review by the Agency and CAO staffs, a report will be made to the Commission.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 13-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization for Helen L. Sause, Project Director, Yerba Buena Center, and James H. Wilson, Project Director, Hunters Point-India Basin, to travel to Monterey, California, from January 24-26, 1988, to participate in the NAHRO Bi-Chapter Conference. Total cost of travel, including registration fees, travel, meals and hotel accommodations, will not exceed \$680.

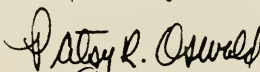
ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 14-88 BE ADOPTED.

President Newman announced that, at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is Louie H. Sherriffe, Inc., et al. v. Redevelopment Agency of the City and County of San Francisco, et al., and a Closed Session pursuant to Government Code Section 54956.8 for the purpose of instructing the Agency's negotiators regarding price and terms of payment concerning possible renewal of the Agency's lease with the Bay Area Air Quality Management District for the Agency's premises at 939 Ellis Street, San Francisco.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Gustavson, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 4:15 p.m.


Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

February 16, 1988



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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF JANUARY 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of January, 1988, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Carl D. Gustavson
Leroy King

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and the following were absent:

H. Jesse Arnelle
Charlotte Berk (arrived 4:10 p.m.)
Melvin D. Lee (arrived 4:10 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of November 24, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Gustavson, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of December 1, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On January 19, the Board of Supervisors voted in favor of changing the name of the Bayview Hunters Point Facility Building to the Earl P. Mills Memorial Community Center.
- (b) Mayor Art Agnos called together the City's department heads and shared with them the current status of his policies and procedures. He indicated that he intends to have eight Deputy Mayors, three of whom have been selected, in groupings -- one

REPORT OF THE EXECUTIVE DIRECTOR (continued)

of those being Housing, which is the one the Agency is in -- although it might be worthwhile making a suggestion to the Mayor's Office that the Agency also be included in the Economic Development group. The Mayor has not determined how to handle meetings of all department heads -- whether in groupings or in one large meeting. The Mayor intends not to just visit departments formally, but go out informally into the field to see what programs are going on.

Ms. Berk and Mr. Lee arrived at this time, 4:10 p.m.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests an amendment to Personal Services Contract with Kennedy/Jenks/Chilton, Consulting Engineers; Rincon Point-South Beach, to increase the amount of the contract by \$590,000, from \$295,000 to a new total of \$885,000. This contract is for the design of the infrastructure improvements consisting of street and utility upgrading and a portion of the Park which is necessary in order to complete the improvements as closely as possible to the Developers' completion of housing. The design construction cost of the improvements are to be borne by the Special Assessment District that is in the process of formation.

Mr. Lee inquired if staff has reviewed affirmative action requirements, and Mr. Helfeld indicated affirmatively and believes they have made progress and are committed to further progress.

President Newman inquired if there is any possibility the taxpayers can refuse to join the district, or does everybody have to participate, and Mr. Helfeld indicated the Board of Supervisors has to approve the process and 60% of the property owners are signing up, including the Agency and its developers, so he did not foresee a problem.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 15-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests an additional expenditure of funds estimated at \$5,614 for temporary off-site accommodations required for the Hart family during the rehabilitation activities at 1101 Divisadero Street/1800 Turk Street and 1107-11 Divisadero Street; Western Addition A-2. This additional expenditure is necessitated by the fact that rehabilitation is taking longer than anticipated. The amount requested is sufficient to supplement the family's current Section 8 rent through December 1988.

NEW BUSINESS (continued)

Mr. King inquired if this is the Nolan Frank Project and Mr. Helfeld indicated affirmatively, that it has been delayed, but is coming along.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 16-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization for the Executive Director to exercise the Agency's repurchase option with respect to 1949 O'Farrell Street and to expend funds not to exceed \$75,000 to purchase the unit and pay homeowner's association dues not to exceed \$200 per month. The fair market value of the unit is \$168,750 and the \$75,000 requested will be used to pay off the first mortgage on the property and pay back the current owners the funds they have invested plus a return on their investment. By exercising this repurchase option, the Agency can offer it for resale to another moderate income household.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 17-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests an amendment to extend the dates for issuance of a building permit from March 31, 1988 to March 22, 1989 and start of construction from April 30, 1988 to April 26, 1989, in the Agreement with Fillmore Center Associates for the development of the parcels located between Fillmore, Geary, Steiner and Turk Streets and a parcel located at the southeast corner of Fillmore and Eddy Streets in the Western Addition Area A-2.
- (e) Mr. Helfeld introduced item (e), which requests conditional approval of the Schematic Drawings from Fillmore Center Associates for the Community Center Building, subject to successful resolution, during the preliminary construction document phase, of design concerns, which are that further design study is required of the building configuration, proportion and detailing at the Fillmore Street entrance to more clearly define the Fillmore Street building plane; and a design study to determine the most appropriate location of the planter walls at the base of the building along Eddy Street.

Ernest Oliver, Third Baptist Church, indicated support for this item. President Newman inquired how the facility would be used and Mr. Oliver indicated that it is a public community facility and will be used for senior programming, banquet rooms, child care, etc.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 18-88 BE ADOPTED.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 19-88 BE ADOPTED.

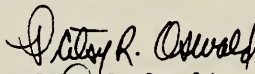
- (f) Workshop on the South Beach Special Assessment District, Rincon Point-South Beach. The purpose of this workshop is for staff to brief the Commissioners on the scope of work, costs, properties involved and activities to be undertaken by staff and other approving agencies in order to form the district, which requires Board of Supervisors approval. Staff has proceeded with preliminary steps for the formation of a Special Assessment District for the South Beach sub-area of Rincon Point-South Beach in order to provide funds for the design and construction of the necessary infrastructure improvements. Under the Special Assessment District, the Agency will be responsible for paying a portion of the improvement cost based on the amount of benefit to Agency-controlled property as a ratio of benefit to all properties within the District.

Frank Cannizzaro made the presentation, noting on a map the properties that would be affected and answered Commissioners inquiries.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 4:32 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

February 16, 1988

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF JANUARY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of January, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
H. Jesse Arnette (arrived 4:55 p.m.)
Charlotte Berk
Carl D. Gustavson
Leroy King

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and the following were absent:

Melvin D. Lee
Haig G. Mardikian, Vice President

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers of Hunters Point, and Jack Hesotian of ICONCO of California, Inc.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of November 24, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of the meeting of December 8, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of the meeting of December 15, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of the meeting of December 22, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR:

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Hunters Point/India Basin and Western Addition operations have been consolidated, and James Wilson has been assigned as the Project Director.
- (b) The Golden Hinde docked at the South Beach Harbor on January 25 and will be open to the public until February 8.
- (c) The Friends of Redevelopment met on January 25, 1988. Several Commissioners attended and there was a helpful and positive discussion about the future of the Agency. President Newman agreed, and indicated that there had been about 30 people at the meeting who seemed quite concerned about helping to make the Agency's posture in the City known to those in authority, particularly in the area of housing, and brought to the present administration's attention. Mr. Helfeld had noted the area of Mission Bay is of interest, and should be widely publicized in terms of the Agency's ability to impact it; also, the issue of tax increment was discussed.
- (d) The Marriott Hotel is exceeding its affirmative action goals, which they had earlier agreed to with the Agency: it is up to 18% in minority and women's business enterprises participating in the project, and in terms of workforce utilization, it is up to 47%, which is substantial.
- (e) Mr. Helfeld indicated that he will be on vacation next week and Mr. Kernan will be Acting Executive Director.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a) which requests the award of Demolition and Site Clearance Contract No. 50 to ICONCO of California, Inc. in the amount of \$54,000, for a vacant commercial building at 175 Natoma Street; Yerba Buena Center. 16 contractors requested bid documents and 12 submitted bids which ranged from a high of \$128,593 down to ICONCO's low bid of \$54,000. ICONCO has satisfactorily completed similar work for the Agency; in addition, their affirmative action and safety programs have been reviewed and are considered to be satisfactory.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 20-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b) which requests a Second Amendment to the Architectural Services Contract with Robert Herman Associates, which increases the amount by \$10,000 to a total of \$40,000; Hunters Point. This contract was authorized in December 1985 for \$23,600 for architectural services for expandable homes on Innes Avenue; the amount was increased to \$30,000 in September 1987 to design garages for the units at the request of adjacent

residents. Construction is 50% complete, but because of construction delays, contract changes and the addition of 13 garages, the amount of construction observation required by the architect and structural engineers is greater than originally anticipated.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c) which is a request from the Citizens' Advisory Committee to designate two Agency Commissioners to serve as representatives on the Citizens' Advisory Committee for Fisherman's Wharf. In December the Board of Supervisors approved the expanded Redevelopment Survey Area for Fisherman's Wharf. The next steps are to define the scope of work, plans and implementation. Two commissioners each from the Port, Planning and Redevelopment are being invited to serve on the Citizens' Advisory Committee as the plans are being defined.

Since three Commissioners were not present, President Newman suggested that he and Ms. Berk serve as representatives on a temporary basis until it can be determined which Commissioners would serve on a permanent basis.

As this matter did not need to be voted upon, it was agreed to accept President Newman's recommendation.

- (d) Mr. Helfeld introduced item (d) which requests an additional one-month extension to February 29, 1988 of lease renewal negotiations with Bay area Air Quality Management District for office space at 939 Ellis Street. The current lease requires that negotiations for renewal be completed five months prior to expiration on June 30, 1988. As it does not appear that negotiations will be completed by January 31, 1988, an extension is requested. BAAQMD indicated they are agreeable to such an extension.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION 22-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e) which requests a two-month extension, through March 31, 1988, of the Memorandum of Agreement with the International Federation of Professional and Technical Engineers, Local 21. Although this Agreement was extended in December to January 31, 1988, negotiations are just beginning and it appears they will not be concluded by that date. However, there do not appear to be a substantial number of issues, so a two-month extension of the Agreement would be sufficient to conclude negotiations, get ratification by the membership and approval of the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION 23-88 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f) which requests approval of a resolution commending P. Michael Mann upon the occasion of his retirement from the Agency. Mr. Mann this year celebrates 21

years with the Redevelopment Agency in many positions where he assisted in the marketing and development of numerous important projects, including the business relocation from the YBC and BART areas, the original YBC Central Blocks Program, the development concept, marketing program and developer selection process for the YBC Central Blocks Program, and marketing parcels in the Western Addition, Diamond Heights and other projects. Mr. Mann will be missed, but all wish him a happy retirement and the best of health and success in all future undertakings.

President Newman read the Agency Commendation, and he, Ms. Berk and the other Commissioners congratulated Mr. Mann on his dedicated work for the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-88 BE ADOPTED.

- (g) Workshop: Progress on the resolution of the Remaining Design Concerns for Fillmore Center Associates' Development on the parcels bounded by O'Farrell, Fillmore, Turk and Steiner Streets: Western Addition Area A-2.

Mr. Helfeld indicated that this workshop has been temporarily cancelled, as the Agency is not prepared at this time to make a recommendation on these items, and is still working with the developer and his architects.

President Newman indicated that the meeting would recess at this time, 4:20 p.m., to a Closed Session, after which item (h) would be taken up in the Fourth Floor Conference Room. The meeting reconvened at 4:40 p.m. with the same roll call.

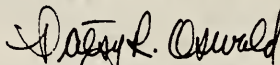
- (h) Mr. Helfeld indicated that the purpose of this Workshop is to review the progress on the Agency's Preliminary 1989 Budget. He commented on the Agency's objectives and obligations, as they are reflected in the budget. A discussion ensued between the Commissioners and staff regarding the budget and its implications.

Mr. Arnelle arrived during the workshop, 4:55 p.m.

ADJOURNMENT

It was moved by Mr. Gustavson, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,



Patsy R. Oswald
Secretary

APPROVED

February 23, 1987

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF FEBRUARY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of February, 1988, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Melvin D. Lee

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and the following were absent:

H. Jesse Arnelle
Carl D. Gustavson
Leroy King

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Hunters Point; Theodore G. Eiler, Kennedy/Jenks/Chilton consulting engineers; Donald Bruggers, Harding Lawson Associates, Inc.; and Wade Joffrey, DMJM.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of December 15, 1987, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Executive Director Edward Helfeld is on a week's vacation and will return on Monday, February 8, 1988.
- (b) There will be an Open House event to celebrate the completion of rehabilitation of 1985 Ellis Street on February 5 at 3 p.m. Certificate of Preference holders Robert and Dorothy Clay purchased this 1910 Edwardian-style building in late 1984. They have successfully completed rehabilitation work and the 12 units will go on the market as rental units.

NEW BUSINESS

- (a) Mr. Kernan introduced item (a), which requests authorization of a Professional Services Contract not to exceed \$44,700 with Environmental Science Associates, Inc., for the purpose of updating the environmental information for Yerba Buena Center. The final Environmental Impact Report (EIR) for YBC was certified in 1978 and there were supplementals in 1980 and 1983, generally for the purpose of updating the environmental data. Recent changes in land use plans for the surrounding areas, as well as the passage of time, make it prudent for the Agency to consider reviewing these documents.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-88 BE ADOPTED.

- (b) Mr. Kernan introduced item (b), which requests approval of a Personal Services Contract in an amount not to exceed \$30,000 with Harding Lawson Associates for hazardous materials assessment services; All Redevelopment Project Areas. In two recent instances, the presence of contaminated soil and/or ground water was encountered on private developments on properties which the Agency had conveyed under Land Disposition agreements. In the event contamination is discovered in the future, it is in the Agency's interests to have consultant services available with the expertise needed to advise of the disposition of these materials. Harding Lawson has worked for the Agency in the past and has been the City's consultant for the underground tank removal program; they have also worked for the developer in the Fillmore Center area. Their Affirmative Action program is acceptable.

Mr. Lee inquired as to the last date of an Affirmative Action report on Harding Lawson, and Ben Hattem, Affirmative Action Officer, indicated that there had been workforce reports done on June 4, 1987 and January 21, 1988. Mr. Kernan indicated that as a result of these reports, the Agency was satisfied with Harding Lawson's present efforts and future plans to comply with Affirmative Action guidelines.

ADOPTION: IT WAS MOVED BY MS. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-88 BE ADOPTED.

- (c) Mr. Kernan introduced item (c), which requests approval of a Fourth Amendment, which modifies the indemnification clause, to Personal Services Contract RPSB EI-INFRASTRUCTURE with Kennedy/Jenks/Chilton, consulting engineers; Rincon Point-South Beach. The contract was authorized in 1981 and provided for the development of the master plans on the infrastructure for the project. On January 19, 1988, the Commission authorized Amendment No. 3 to add design of the infrastructure in South Beach in the scope of work. The consultant has since then requested a change to the indemnification language to make it more appropriate to the design effort rather than what they were doing previously, which was master planning only. There would be no other change in the scope of work, the time of performance, or the authorized amount of the contract by virtue of this amendment.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 27-88 BE ADOPTED.

- (d) Mr. Kernan introduced item (d), which requests approval of a further extension of a date certain for the resolution of the five remaining design concerns for the Fillmore Center Associates' development on parcels bounded by O'Farrell, Fillmore, Turk and Steiner Streets; Western Addition A-2; this would change the date from February 3 to May 4, 1988. Several sessions were held with Agency staff and the developer to pursue the design concerns; however, it is believed that additional time is needed for the developer's design team to conduct further studies to resolve the design concerns; in essence it is not believed that they have been adequately addressed.

President Newman inquired as to what would happen if it turns out that they have gone too far and the Commission doesn't like the decisions that the developer comes up with in May. Mr. Kernan indicated that these concerns are not affected by current construction, so that the project underway and continuance of work would not compromise the Commission's ability to make a decision. President Newman indicated that it was the High-rise building that concerned him, and Mr. Kernan noted that this building is not under construction yet, only excavation has taken place. President Newman inquired if the building would not be constructed until floor plans are approved, and Mr. Kernan indicated affirmatively. Mr. Wade Joffrey with DMJM Architects indicated that the current schedule does not concern buildings now under construction. Mr. Kernan indicated that the Agency would not sign off on the permits without the resolution of design issues.

Ms. Berk noted her concern about the liveability of the units. President Newman inquired about landscaping and interior design, and Mr. Kernan indicated that this had not been approved, but the developer and the Agency are working on solutions which will later be recommended to the Commission; the Agency would have preferred these issues were solved earlier, but speeding up the project means that some design concerns must be done later. The key decision is the floor plan; the roof treatment, colors and landscaping are less critical, but it is hoped the floor plan will be resolved well before May 4, 1988.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-88 BE APPROVED.

- (e) Mr. Kernan introduced item (e), which commends and expresses appreciation to Demetrio C. Salvador for his services upon the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco.

Mr. Kernan indicated that Mr. Salvador had served the Agency for 16 years in the Engineering and Rehabilitation Divisions, having come in as a Construction Inspector, and moved up rapidly; because of his skills and leadership ability he became Chief of the Engineering and Rehabilitation section. He has been involved in many projects, and is renowned at the Agency for his incisiveness, his keen intelligence, his unflinching honesty, and his dedicated hard work and general good humor, which have earned him the dedication and loyalty of his staff and the respect and admiration of his co-workers. He will be missed, and everyone wishes him a long, healthy, happy retirement and success

in all his future endeavors. Mr. Kernan noted that he was one of the first to interview Mr. Salvador when he was hired for a two-year stint, and discovered that the Agency needed him so much, they kept him on; the Agency is sorry to see him go because he has a level of integrity, honesty and hard work that is difficult to match.

Mr. Salvador indicated that his 16 years at the Agency had been very rewarding, satisfying and educational. He thanked the Agency for the opportunity to have worked here; the Commission for their understanding; the Executive Staff (Mr. Kernan, Mr. Borregard and Mr. Helfeld) for the kindness and support given to him and the trust and confidence they had placed in him; his colleagues for the cooperation they have extended to him; and to his staff, for their loyalty and help during his time at the Agency.

William Nakamura, Senior Engineer, indicated he agreed with everything Mr. Kernan had stated in the commendation; he enjoyed working with Mr. Salvador for 14 years, and wished him well.

Robert Isaacson, Senior Engineer, noted that Mr. Salvador was a good and honest man, and the Agency is losing a great deal with his retirement.

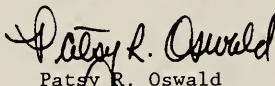
Mr. Lee commented that Mr. Salvador was too young to retire; but that he had always respected his good disposition and sound and honest judgment. Ms. Berk indicated that Mr. Salvador had always been a great information resource, and an excellent role model for the Agency as an example of what good performance and integrity can achieve, leaving a record that anyone would be proud to equal. Mr. Mardikian also thanked him for his exemplary service and cooperation, and Mr. Newman added for the absent Commissioners that they appreciated his outstanding work for the Agency, and complimented him on being a true professional, conducting himself in a manner which would make his position very hard to fill.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-88 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

February 23, 1988

2/9/88
R35
4
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF FEBRUARY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of February, 1988, the place and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Carl D. Gustavson
Leroy King
Melvin D. Lee

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and the following was absent:

H. Jesse Arnelle

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were Brett Gladstone and Calvin Lau, Western Addition Neighborhood Association; Marie Cleasby and Anne Bloomfield, Pacific Heights Residents Association; Ocie Rogers, Hunters Point Residents; George Couch and Melvin Dagovitz, owners of 2201 Bush; Andrew James Ring, architect for 2201 Bush, and Mark Lyon, Genevieve Conyer, Mark Post, Ross Votie, Priscilla Ann Taylor and Max Cologna, representing Fillmore Street interests.

Representing the press were Gerald Adams, San Francisco Examiner; James Doyle, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of December 8, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Gustavson, and unanimously carried that the minutes of the Regular Meeting of January 5, 1988, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests an Owner Participation Agreement with Melvin and Angela Dagovitz and George J. and Katherine Couch, in connection with 2201 Bush Street; Western Addition A-2. It is proposed to demolish an existing gas station on the site and build a one-story commercial structure, including required off-street parking. The design is satisfactory, subject to design concerns on the exterior, landscaping and signs. The Owners have presented their proposal to the Western Addition Neighborhood Association, and advised they are in lease negotiations with a major chain discount drug store. The group's response to the design and scale is favorable, but they reserve approval of signage and street-scape until design completion.

George Couch and Melvin Dagovitz, Owners of the site, indicated that they would like to withhold comments until issues had been discussed, after which they would answer specific questions.

Andrew James Ring, architect for the project, explained the plans which were posted on the wall; when asked about the possible signage, he indicated that since there was no tenant yet, the signage was unknown, but would have to conform to City sign ordinances.

Speakers who voiced neighborhood concerns were: Brett Gladstone, Vice President of the Western Addition Neighborhood Association; Priscilla Ann Taylor, owner of a store on Fillmore, who presented a letter and petition from the Fillmore Improvement Assn., requesting consideration of the points listed below; Marie Cleasby, Pacific Heights Residents Association; Anne Bloomfield, Pacific Heights Residents Association; Mark Lyon, resident at 1805 Fillmore; Genevieve Conyer, merchant at Sutter/Fillmore; Max Cologna, owner of Bi-Rite Liquors, 2066 Fillmore; Mark Post from the New Fillmore Newspaper; Calvin Lau, on the board (and past President) of WANA; and Ross Votie, homeowner at Bush and Fillmore.

The general consensus of those who spoke was that they had no objection to the possible tenant (Walgreens Drugs), nor was there a problem with the design and scale of the project as developed thus far. The main concerns expressed were: 1) Liquor License: All speakers were extremely concerned about the sale of discount liquors on the site, and it was noted that there are already five liquor stores within a four-block area. It was felt the sale of liquor would increase traffic and parking problems, and contribute to the existing problem of public drunkenness in the neighborhood; 2) Hours: Concern was expressed that this might be a 24-hour facility. The consensus was that a business day of 7:00 a.m. to 10:00 p.m. was acceptable, but beyond those hours it is strongly felt that traffic, noise and parking would be very disruptive to the neighborhood residents, as well as possibly increasing criminal

activity in the area; 3) Parking: The point was made a number of times that parking in the Fillmore Street area is already a major problem, and that the projected 10 parking spaces will not be adequate for a business; 4) Signage/Lighting: Signage is also a concern; speakers were especially opposed to neon or billboard-type signs. Since there is a City ordinance regarding signs, this should not be a problem; however, they emphasized that the type of sign should blend aesthetically with the area. It was also stated that during non-business hours, they do not want a store lighted, which would disturb residents in the surrounding area.

Mr. Dagovitz responded to the concerns expressed, indicating it is still uncertain as to whether Walgreens will be the tenant; however, the Owners feel that a drugstore would be the most desirable type of business for the area. As to the hours, any business would only be open the number of hours needed by the neighborhood otherwise it would be economically unfeasible for the business to operate. Signage was not a problem, as any tenant must get approval from the developer and the Agency, in accordance with City ordinances. Regarding parking, it was felt that since this business is meant to serve the neighborhood, there would be far more foot traffic than automobiles, and that 10 spaces should be sufficient. Regarding a liquor license, if there is no need in the neighborhood, a tenant would not waste his time selling liquor. Mr. Couch added that the parking, loading and design factors were all within the existing codes; and that delivery problems had already been taken care of.

Mr. Helfeld commented that the design of the building fits in with the neighborhood very well; parking is screened and has a gate and the building should be an asset to the area. Because of the concerns expressed, he suggested that this matter be continued for a week in order to meet with the developers to discuss these issues.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (a) would be continued for one week at staff request. There being no objection, it was so ordered.

- (b) Mr. Helfeld introduced item (b), which is a request to reimburse Bayview Apartments for emergency repair of a sewer line; Hunters Point. On January 4, 1988, Mr. Tony Stodt of the Bayview Apartments in Hunters Point reported a sewer break; this was an emergency situation which needed immediate attention. This request is to reimburse \$3,859.57 to Bayview Apartments for this repair.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION 31-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which is a request for approval of funds for handling, processing and postage for certified, return receipt requested mailing of public hearing notices to 2,100 property owners within the six Project Areas proposed to be merged - Golden Gateway, Hunters Point, India Basin Industrial Park, Rincon Point-South Beach, Yerba Buena Center and Western Addition A-2. Ms. Berk inquired if this was required by law, and Mr. Helfeld indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION 32-88 BE ADOPTED.

President Newman announced that there will be a Closed Session pursuant to Government Code Section 54956.8 for the purpose of instructing the Agency's negotiators on certain real property, a portion of Development Site L, Parcel 3793-2, located on the south side of Townsend Street between Second Street and The Embarcadero in the Rincon Point-South Beach Development Project Area. The people with whom the Agency's negotiators may negotiate are Harold and Shirley Groner. Following the Closed Session the Commission will return to the regular meeting.

At this time the meeting recessed to a Closed Session, 4:45 p.m., and reconvened back to the regular session at 5:00 p.m., with the same roll call.

- (d) President Newman noted that item (d) is a request to make an offer of just compensation for the purchase of parcel 3793-2 located on the south side of Townsend Street between Second Street and The Embarcadero; Rincon Point-South Beach.

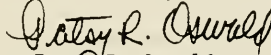
ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION 33-88 BE ADOPTED.

President Newman announced that there will be a Closed Session on two personnel matters and a Closed Session pursuant to Government Code Section 54956.8 for the purpose of instructing the Agency negotiators regarding the price and terms and payment concerning possible renewal of the Agency's lease with Bay Area Quality Management District for the Agency's premises at 939 Ellis Street in San Francisco. The District, which is the Owner of the premises, is the entity with whom the Agency's negotiators may negotiate.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to a Closed Session. The meeting adjourned at 5:03 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED:

March 8, 1988

SF
R35
#4
2/16/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF FEBRUARY 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of February, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
H. Jesse Arnelle
Charlotte Berk
Carl D. Gustavson
Leroy King
Melvin D. Lee

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The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were John Elberling of TODCO and Steven Leonoudakis of San Francisco Parking, Inc.

Representing the press were Gerald Adams of the San Francisco Examiner and Dawn Garcia of the San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of January 12, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of January 19, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A South Bayshore meeting was held on February 9, at which the City Planning Department presented a report about major concerns to the community. A very impressive number of people turned out, over 100, and there was a good exchange of ideas, with very strong feelings that the community definitely wanted improvements.
- (b) There will be a meeting of the Friends of the Redevelopment Agency on February 29th at 5:30 p.m. at Four Embarcadero, Suite 2600.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which had been held over from the Regular Meeting on February 9, 1988. This is a request for an Owner Participation Agreement with Melvin and Angela Dagovitz and George and Katherine Couch in connection with 2201 Bush Street; Western Addition A-2. Mr. Helfeld indicated that there had not been enough time to consider the issues involved with this item, and requested that it be held over for one more week to the meeting on February 23.

RULE OF CHAIR: President Newman indicated that subject to the objections of any Commissioner, item (a) would be continued for one week at staff's request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Mr. Helfeld introduced item 6(a), which is a request to approve the firm of Zeidler Roberts Partnership/Architect as YBG Associates' building design architect for the Central Block Two (CB-2) and Central Block Three (CB-3) Retail and Amusement, Recreation and Entertainment Developments; Yerba Buena Center Approved Redevelopment Project Area D-1. Staff had reviewed the qualifications of the Zeidler organization and determined they have the ability to produce high-quality architectural design. Major design projects previously executed by Zeidler include The Toronto-Eaton Centre; Ontario Place; Queen's Quay Terminal, and Canada Place in Vancouver, as well as the master plan and basic concept design for Yerba Buena Gardens. Ms. Berk indicated that she heartily concurred with the selection of the Zeidler Roberts firm, and expected to get a fine work product.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item 6(b), which requests a First Amendment (changing the indemnity provision) to the architectural design contract with Robinson, Mills and Williams; Yerba Buena Center.

President Newman asked if this meant the Agency was giving up some protection, and Mr. Borregard indicated no. Mr. Lee inquired if other consultants want the same provisions and Bill Carney, architect, indicated that there were three major contracts which had asked for changes so far: Mitchell/Giurgola, James Polshek and Partners, and the contract in question. Mr. Borregard noted that the Polshek contract had been broader, but had been narrowed down as well. He did not think this would come up again, but it was a possibility and should be dealt with on a case-by-case basis, to be reviewed by staff and presented for approval to the Commission.

President Newman inquired what the Agency is actually giving up. Mr. Borregard indicated that the essential difference is that this relieves the Agency of a third-party liability, but the architect would still be liable.

Mr. Mardikian inquired if the Agency could have standard language instead of working on a case-by-case basis. Mr. Borregard indicated that contracts might require different language and recommended doing each contract on a case-by-case basis. However, he would be happy to review it and believed a broad basic authority could cover the issue. President Newman indicated that the Commission would feel more comfortable in having a uniform policy instead of acting each time.

The consensus of the Commission was that this current amendment should be adopted, but staff should develop standard minimum acceptable language for all contracts.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MY LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item 6(c), which is a request for a proposal from San Francisco Parking, Inc. to develop Parcel 3751-A on the northeast corner of Fourth and Harrison Streets; Yerba Buena Center. This was previously discussed at the Commission meeting of December 8, 1987. The Agency has prepared a "Request for Proposal" for this purchase and development and request issuance to San Francisco Parking, Inc. This will be a mixed-use commercial development with a ground floor supermarket and a 200-room hotel. The price is \$2,800,000, and a \$28,000 Offer to Negotiate payment is to be submitted with the Proposal. San Francisco Parking, Inc. will be requested to submit its proposal before April 13, 1988, including letters of interest from a hotel and supermarket operator. If accepted by June 8, 1988, the Commission will be requested to authorize two periods of Exclusive Negotiations in order to approve Pre-Schematic Plans, discuss terms of the Land Disposition Agreement, and to prepare Final Schematic Drawings and Land Disposition Agreement for Commission approval.

President Newman wanted the public to be aware that the reason San Francisco Parking is the only one being brought in at this point is because in the past the Agency had made a Public Offer and San Francisco Parking was the only one to respond. Mr. Helfeld confirmed this by stating that there had been a number of requests over the years; San Francisco Parking had responded to issues informally, and had spent much time over two and a half years pursuing the variety and different types of development of this site. Based on the amount of time spent, it would seem logical to give them an opportunity to respond.

Steven Leonoudakis of San Francisco Parking, Inc. stated they have been involved with the project since November 1983, and had numerous meetings with Agency staff discussing eight or nine different concepts. They were the only ones to respond in a timely fashion, and many hundreds of hours and thousands of dollars had been spent, so they felt they should be allowed to bring their proposal forward.

John Elberling of the Yerba Buena Consortium indicated that he feels the only justification for the hotel is the supermarket; a five-year commitment is not long enough; and the prices in the supermarket must be reasonable, such as "discount shopping" - a Lucky or So-Lo Market. The market may not be able to afford the rent, and they believed they could help by approaching an agency such as UBAG for funds. If these conditions cannot be met, they do not support the plan.

Mr. Mardikian inquired if 40,800 sq. ft. was the size of the supermarket, and Helen Sause indicated there was an occupied footage of a minimum of 20,000 sq. ft., and it could be higher. Mr. Mardikian indicated that the Agency has an obligation to provide a food shopping-type of store in this area, just as in other Redevelopment areas, and if this is the final site in which the market can be located to serve local residents, there is some cause for concern if the commitment is too open-ended or loose. Five years as a minimum seems less than desirable for a major supermarket to recoup its investment. There is a concern that in fact the use of this site for a supermarket is not very well established.

President Newman inquired of Mr. Leonoudakis if the RFP were changed to require the continuous operation of a supermarket, would he be prepared to proceed, and Mr. Leonoudakis indicated affirmatively, and that he would commit to no less than five, but generally more in terms of 20 years.

Mr. Lee inquired if there were a magic number, for instance, would there be any problem with 10 or 15 years, and Mr. Leonoudakis said no problem. Mr. Helfeld indicated that in terms of requirements, the Agency might seek to have them tied to the hotel for a much longer period. As for UBAG, it may be a possibility down the road, but it would be at least a year to get a response and the project should be started now, with further exploration later.

President Newman inquired if the recommendation was still for approval, and Mr. Helfeld responded in the affirmative, with the commitment that the supermarket would be attached to the hotel for more than five years, as the Agency intent is to either extend the supermarket for more than five years and/or tie it to the hotel for more than five years. However, whether or not the hotel is a success, the parcel should have the supermarket, otherwise the property is not being properly utilized; if the hotel is in danger, the supermarket is in danger. If the supermarket has

difficulties, then positive financial flow from the hotel has to support the supermarket. President Newman inquired if the hotel would have to underwrite continuous operation of the supermarket, and Mr. Helfeld confirmed.

At this time Mr. Borregard requested a recess to confer with Mr. Helfeld, 4:44 p.m. The meeting reconvened at 4:46 p.m. with the same roll call.

President Newman indicated to San Francisco Parking that the Commission was making it clear that a discount supermarket be considered, and inquired if the Commission does not want to accept the Proposal, they are not required to, and Mr. Helfeld indicated affirmatively. Mr. Arnelle inquired whether the notion of a hotel and supermarket was the best use, and Mr. Helfeld indicated that on the advice of financial consultants, the viability of a supermarket on that site, with a relatively small population to be served, could best be complemented by a hotel. Helen Sause, Project Director, Yerba Buena Center, indicated that a medical facility and office use had also been considered. Mr. Arnelle inquired as to whether this was a staff decision or outside decision. Ms. Sause indicated that the Agency worked with Spear Street Consultants, and they suggested a medical facility or hotel to support the supermarket back in 1986 and early 1987, and they talked to various developers to see what type of business would be viable. The supermarket concept was the preferred use. Mr. Arnelle inquired how long ago this had been decided, and Ms. Sause indicated that it was recommended to staff in late 1986, and again in April 1987. In discussions with development entities, a hotel was the only response.

Mr. Gustavson inquired if prior to entering Exclusive Negotiations with San Francisco Parking, would the Commission find out more about their capabilities, and Mr. Helfeld indicated that part of the Proposal being made would include a financial analysis.

Ms. Berk inquired if there is a test the Agency has to apply to consider the environmental effects of a hotel, such as traffic, and Mr. Helfeld indicated affirmatively that the Agency would have that finding at a later date.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION 37-88 BE ADOPTED.

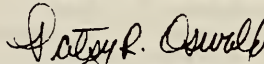
- (d) Mr. Helfeld introduced item 6(d), which is a request to execute an Agreement with On Target Delivery Service for scheduled and unscheduled messenger services. On Target is a minority business enterprise that has provided excellent messenger services for the Agency for a number of years. Staff has researched competition, and feels On Target provides the best service with the most secure insurance coverage.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-88 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:51 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Patsy R. Oswald".

Patsy R. Oswald
Secretary

APPROVED:

March 29, 1988

SF
R35
#4
2/23/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF FEBRUARY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of February, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Leroy King
Melvin D. Lee

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and the following were absent:

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H. Jesse Arnelle
Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were Ocie Mae Rogers, Hunters Point; John Elberling, TODCO, Mark Lyon, resident of Fillmore Street, and Terry Rawlins and Lefty Gordon of Ella Hill Hutch Community Center.

Representing the press were Gerald Adams, San Francisco Examiner; Torri Minton, San Francisco Chronicle, and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of January 26, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of February 2, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King and unanimously carried that the minutes of the Closed Session of January 5, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of January 12, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) At a Closed Session meeting on February 9, 1988, a resolution was adopted appointing William Nakamura as Chief of Engineering and Rehabilitation, effective February 10, 1988. Mr. Nakamura replaces Demetrio Salvador, who retired. President Newman congratulated Mr. Nakamura on behalf of the Commission.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced Item 5(a), which had been held over from the regular Commission meeting on February 16, 1988, regarding an Owner Participation Agreement with Melvin and Angela Dagovitz and George and Katherine Couch in connection with 2201 Bush Street in Western Addition A-2. Mr. Helfeld recommended that this matter be continued for two weeks in order to address community concerns.

Mr. Mardikian indicated that he had been contacted by a concerned citizen in connection with this matter, saying that neighborhood groups were not advised when items were being continued. He did not think that was the case in this instance, but wanted to remind staff that it is important to keep neighborhood groups and individuals informed of any changes in the agenda.

RULE OF CHAIR: President Newman indicated that subject to the objection of any Commissioner, item (a) would be continued for two weeks at staff's request. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which is a request to approve submittal of the Agency's Preliminary Budget request to the Mayor. The Agency has four objectives: 1) An attempt to substantially increase a program for low- and moderate-income housing, so that total City effort gets closer to the need. 2) To provide funding to complete existing Redevelopment projects. 3) To provide funds for two possible additional projects being planned, Fisherman's Wharf and South Bayshore. 4) To do all this in light of the City's new budget crisis, reported today as an estimated shortfall of \$150 million. In order to carry out these objectives, the Agency requests that the City in 1989 only make available the amount of tax increment funds they made available in 1986, 1987 and 1988, which is \$5.8 million. The Agency would take that money and float a bond issue to raise \$30 million to be paid off in six years. With those funds the Agency can carry out the objectives, including a major housing program starting in 1989 at a \$10 million level plus the existing efforts, which would total \$12.5 million. In terms of the tax increment funds, it would be escalated at 5% annually, so that over a 12-year period between 1989 and 2000 it would be a \$159 million housing program for low-

and moderate-income housing. After 1989 the Agency would request that the City make available to the Agency additional increment as it comes available, but in no event would the City fall below what it would be giving in 1989. The Agency would have an annual series of bond issues to carry out the programs. The City, the Mayor's Budget Office and the Board of Supervisors would examine Agency budgets both as to operating and administrative costs, and as to effectiveness in producing the housing, so this is not a blank check: it is part of the City process that would be reviewed. The assumption inherent is that it is an investment in the future with an economic and social return, social in terms of needed housing and economic in additional taxes that the Agency produces. Unlike most City agencies, the Redevelopment Agency is entrepreneurial and produces income, as opposed to simply providing a service. This also assumes that the Mayor and the Board of Supervisors will approve the merger, which is essential if tax increment funds are going to be available.

President Newman inquired how the debt service would be handled, and Mr. Helfeld explained that, in 1989 if the Agency issues a \$30 million bond issue, the Board of Supervisors would set aside \$5.8 million a year for seven years to pay it off. In 1990, with the increase in real estate taxes above the level of the year before, there would be a second bond issue, and so on, to keep the program going. The return to the City is in housing, 3300 units (30% low-to moderate-income) over 1986, 1987 and 1988 in actual construction starts; with the start of the new expanded housing program, 55% of it will be low- and moderate income, a significant contribution by the Agency in housing. The Agency's activities are an investment in the future, including construction and jobs. People often see the Agency only as a housing entity, but it's important to see its other role in economic development.

John Elberling, representing several activist groups interested in the Agency's budget for 1989, indicated that it is helpful to have the draft budget in February rather than September or October, and requested a more detailed budget be provided, as the groups are concerned about the new bond finance program. If the projects are merged, the agency will have the ability to move funds around from one area to another, and the groups cannot support a merger unless they understand which projects will need money, in what time frame, and what order of magnitude.

Mr. Helfeld indicated that he was not aware that a detailed financial plan had been requested, and the Agency will be happy to make it available. Also, a revised housing projection/policy statement is being completed and it will be available to the Commission in a few weeks. On the question of merger, all it does is enable the Mayor and Board of Supervisors to make tax increment available down the road if they so desire. If the projects aren't merged, the Agency loses the opportunity to capture much of that money, so the merger itself does not approve any budget, it only enables the elected officials to make a future decision.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which authorizes a letter agreement in the estimated amount of \$8,325 with the City and County of San Francisco Department of Public Works for removal of an underground fuel tank in Colin P. Kelly, Jr. Street in Rincon Point-South Beach.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests a Second Amendment, not to exceed \$171,000, to the Contract with the Ella Hill Hutch Community Center (EHHCC) for construction employment services to assist contractors/subcontractors pursuing Agency goals for neighborhood hiring in the development of the Fillmore Center in Western Addition A-2. EHHCC has made significant inroads in the effort with some 316 community residents in Western Addition in construction jobs in 1987, an excellent record.

Lefty Gordon, Executive Director of the EHHCC, expressed deep appreciation to the Agency for the opportunity to implement this program. He especially thanked Gene Suttle, Shirley Wysinger and Joe Lejarza for their technical assistance.

Speaking for the Commission, President Newman congratulated Mr. Gordon and his staff for the excellent job which they've done, fulfilling in every way their expectations on minority hiring.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests an amended Joint Powers Agreement for the Bay Cities Joint Powers Insurance Authority to allow creation of insurance programs other than Comprehensive General Liability, including Property and Workers Compensation coverages. The amendments affect changes to the JPA which permit them to provide other insurance and risk management services to the member entities, which will save the Agency money.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e) requesting approval of payment of the Agency's annual dues for membership in the National Association of Housing and Redevelopment Officials (NAHRO) in the amount of \$1,602. This organization has significant impact in the field, and is helpful in accomplishing national legislative and political action of importance to the Agency.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 43-88 BE ADOPTED.

President Newman announced that the meeting would recess to the Fourth Floor Conference Room for item (f). The meeting recessed at 4:40 p.m. and reconvened at 4:50 with the same roll call.

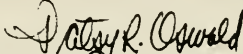
- (f) Workshop to present the Schematic Design for the George R. Moscone Convention Center expansion; Yerba Buena Center. On November 20, 1987, the Commission conditionally approved certain aspects of the conceptual design for the expansion of the George Moscone Convention Center (GMCC). Since then the City's architects, Gensler-DMJM, have completed the schematic design phase of the project. The Agency's architects are Mitchell/Giurgola for the crystal pavilion and esplanade, James Stewart Polshek for the theater, and Maki and Associates/Robinson, Mills and Williams for the visual art center. These architects, as well as staff and consultants, are reviewing the schematic design submission to assure that the Agency's design options for its facilities are maintained.

John Cribbs from the Chief Administrative Office of the City made a presentation for the City and introduced Art Gensler of Gensler and Associates, who reported on the status of development and gave an orientation as to the architectural drawings of the development. Tony Lumsden, DMJM, went through the design process and answered Commissioner inquiries.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

March 15, 1988

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF MARCH, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco; California at 4:00 o'clock p.m. on the 1st day of March, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Leroy King
Melvin D. Lee

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and the following were absent:

H. Jesse Arnelle
Carl D. Gustavson

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The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Rudy Nothenberg, San Francisco Chief Administrative Officer; Art Gensler, Gensler and Associates; Tony Lumsden, DMJM; Ocie Mae Rogers, Fillmore Residents Association; Fran Layton, Shute, Mihaly & Weinberger; Don Chandler and Helene Fried, Marriott Hotel, and Curt Gray, resident of Third Street.

Representing the press were: Gerald Adams, San Francisco Examiner, and Dan Borsuk, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The second Fishermans Wharf meeting of the Citizens Advisory Committee was held on February 24, 1988, with presentations made by the Public Utilities Commission (PUC) and the Conservancy. Clearly there are a lot of public bodies doing work in that area, with the major concern being to bring it all together. There is another meeting in two weeks.
- (b) The Friends of Redevelopment met on February 29, 1988, with discussions being held on the proposed housing expansion program and the method of financing it.
- (c) A meeting was held with the Mayor on March 1, 1988, as well as members of nonprofit-based housing corporations, to discuss the entire housing program and methods of funding, which meeting will continue on March 3 at the Agency.

NEW BUSINESS

- (a) President Newman introduced item (a) which requests approval of the Report on the Proposed Amendments to the Redevelopment Plans for the Embarcadero-Lower Market (Golden Gateway), Hunters Point, India Basin Industrial Park, Rincon Point-South Beach, Yerba Buena Center and Western Addition A-2 Redevelopment Project Areas for the purpose of merging the Redevelopment Project Areas and forwarding same to the Board of Supervisors of the City and County of San Francisco for its information.

Mr. Helfeld noted that items (a) through (i) are related and would be presented together but should be acted on separately. All items deal with the merging of the six Redevelopment Projects. Action on item (a) would be taken after six Public Hearings had been called and acted upon; however, there has been a request for a continuance. He recommended that President Newman open six Public Hearings, hear testimony, and continue the Hearings to March 15 and take appropriate action at that time, enabling the persons requesting the continuance to analyze the information and discuss it with staff. The merger of these six projects will provide a financial mechanism permitting the Agency to utilize tax increment revenues generated within any one of the project areas to fund costs in the merged projects; this will enhance financial flexibility and will result in substantial public benefit, contributing to the revitalization of blighted areas, enabling the completion of existing underfunded projects, and provide for increased and improved housing opportunities for low and moderate income households. As discussed last week, the crucial ability of the Agency to expand its housing programs is involved with this action, as well as enabling the Agency to continue its activities in existing project areas. The amendments merge the project areas for financing reasons and extend the time (except for Rincon Point-South Beach, which has a time limit of 2011) and duration of the plans for tax increment financing, but does not alter the provisions relative to any land uses, development standards or other provisions.

MOTION: It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that item (a) be continued for two weeks.

- (b) Public Hearing to hear all persons interested in the proposed amendments to the Embarcadero-Lower Market (Golden Gateway) Redevelopment Plan related to the proposed merger of six redevelopment project areas.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 45-88 requests approval and recommendation of the proposed amendments to the Embarcadero-Lower Market Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

At this time there were no persons wishing to appear in connection with this matter.

MOTION: It was moved by Mr. Mardikian, seconded by Mr. King, and unanimously carried that item (b) be continued for two weeks.

- (c) Public Hearing to hear all persons interested in the proposed amendments to the Hunters Point Redevelopment Plan related to the proposed merger of six redevelopment project areas.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 46-88 requests approval and recommendation of the proposed amendments to the Hunters Point Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

At this time there were no persons wishing to appear in connection with this matter.

MOTION: It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that item (c) be continued for two weeks.

- (d) Public Hearing to hear all persons interested in the proposed amendments to the India Basin Industrial Park Redevelopment Plan related to the proposed merger of six redevelopment project areas.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 47-88 requests approval and recommendation of the proposed amendments to the India Basin Industrial Park Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

At this time there were no persons wishing to appear in connection with this matter.

MOTION: It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that item (d) be continued for two weeks.

- (e) Public Hearing to hear all persons interested in the proposed amendments to the Rincon Point-South Beach Redevelopment Plan related to the proposed merger of six redevelopment project areas.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 48-88 requests approval and recommendation of the proposed amendments to the Rincon Point-South Beach Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

At this time there were no persons wishing to appear in connection with this matter.

MOTION: It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that item (e) be continued for two weeks.

- (f) Public Hearing to hear all persons interested in the proposed amendments to the Yerba Buena Center Redevelopment Plan related to the proposed merger of six redevelopment project areas.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 49-88 requests approval and recommendation of the proposed amendments to the Yerba Buena Center Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

At this time there were no persons wishing to appear in connection with this matter.

MOTION: It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that item (f) be continued for two weeks.

- (g) Public Hearing to hear all persons interested in the proposed amendments to the Western Addition A-2 Redevelopment Plan related to the proposed merger of six redevelopment project areas.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 50-88 requests approval and recommendation of the proposed amendments to the Western Addition A-2 Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

At this time there were no persons wishing to appear in connection with this matter.

MOTION: It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that item (g) be continued for two weeks.

- (h) President Newman introduced item (h), which requests transmittal of the Proposed Amendments to the Redevelopment Plans for the Embarcadero-Lower Market (Golden Gateway), Hunters Point, India Basin Industrial Park, Rincon Point-South Beach, Yerba Buena Center and Western Addition A-2 Redevelopment Project Areas to the Board of Supervisors of the City and County of San Francisco for its consideration.

MOTION: It was moved by Mr. Lee, Seconded by Ms. Berk, and unanimously carried that item (h), Resolution No. 51-88, be continued for two weeks.

- (i) Mr. Helfeld introduced item (i), which requests transmittal of the Proposed Amendments to the Redevelopment Plans for the Embarcadero-Lower Market (Golden Gateway), Hunters Point, India Basin Industrial Park, Rincon Point-South Beach, Yerba Buena

Center and Western Addition Redevelopment Project to the City Planning Commission of the City and County of San Francisco for its report and recommendation.

MOTION: It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that item (i), Resolution No. 52-88, be continued for two weeks.

- (j) Mr. Helfeld introduced item (j), which requests conditionally approving certain elements of the schematic design for the expansion of the George R. Moscone Convention Center in a subsurface portion of Central Block 2 and on the rooftop of Central Block 3, Yerba Buena Center, with all other aspects of the project being resolved during subsequent design phases and brought to the Commission for approval. The Commission had a workshop on these elements on February 23; certain reviews had been done in November, and since that time the Agency's staff architects have met with the Gensler/DMJM architects to resolve design and technical issues concerning the expansion and above-surface facilities on Central Blocks 2 and 3. There was further review in January, 1988, by Agency architects and consultants. The Agency recommends approval in three areas: 1) The general location and configuration of the new lobby on the north side of Howard Street for the Moscone Convention Center Expansion. 2) Surface protrusions, including exit stairs, air intakes and exhaust vents and skylights. 3) General location and configuration for the Central Block 3 meeting rooms on top of the existing Moscone Center. This general approval would permit the Convention Center architects, Gensler and DMJM, to proceed with the design of the MCCE and permit the required coordination and resolution of design issues with the Agency architects to continue to insure the appropriate environment in the park and buildings of quality for the Convention Center.

Rudy Nothenberg, San Francisco Chief Administrative Officer, requested conditional schematic approval for designs being submitted and indicated they will come back in June and in September for preliminary design approvals. He noted that he had paid a heartfelt compliment to the Agency staff at the previous meeting for the way the problems had been resolved with the design, allowing the start of a progressive resolution of problems as they came up. Thus far it is working fine, there is a very good relationship with Agency staff, and this will end up being a project everyone can be proud of. He noted that Art Gensler and Tony Lumsden were here and available to answer any questions.

Mr. Mardikian indicated that they appreciated his comments, but he wanted to confirm that the MCCE had not been untowardly delayed or interrupted by any actions of this Agency, its staff and Commission, and Mr. Nothenberg confirmed this.

Mr. Lee inquired as to the architectural design of the four skylights leading from the top floor to the lobby area, as it is not shown on the current drawing, and he wanted to know when this would come before the Commission. Mr. Helfeld indicated that the deck is still just an idea which has not been approved, as well as

the design for the garden and Crystal Court. This is still being explored to achieve a more graceful connection between Blocks 2 and 3, so there's still much design work and analysis to be done and as that develops the ideas will be brought to the Commission.

Mr. Lee inquired as to what would be brought to the Commission in June, and Mr. Nothenberg indicated that the next stages of design in the particular elements being approved today will be brought to the Commission in June and September, but they were unrelated to any potential structure which leads from CB-2 to CB-3. This is an entirely different project that needs to be looked at by the staff, and is unrelated to what will be brought in June and September. The Commission can in good conscience act on the elements being brought today, and reserve judgment on elements which may be coming in the future.

Ms. Berk stated that she appreciated Mr. Nothenberg's comments, and it was a wonderful thing to be dealing with him as the City person because he had been with the Commission from the very beginning of the dreams for the project which are now being translated. His familiarity with the project is a boon, and the Commission is grateful. Mr. Nothenberg thanked her and indicated it would be interesting to see if in our lifetimes this project could be completed. Mr. Newman inquired as to whether the project was on schedule, and Mr. Nothenberg indicated that with the approval today and assuming that everything else goes as schedule, they will be able to meet their schedule if the progressive resolution continues to work and they can deliver a buildable surface so that the Commission can be on schedule as well.

Mr. Helfeld indicated that while the formal presentations might not be here until June, as adjustments and resolutions are made along the way, the Agency will be bringing them to the Commission so they will be aware of what is going on.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-88 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests qualifications from San Francisco-based nonprofit housing development corporations to sublease and develop a parcel located on the west side of The Embarcadero between King and Townsend Streets, Rincon Point-South Beach. There had been discussions several months ago about this 65,000 sq. foot parcel, a property owned by the Port of San Francisco with the Agency having an option to lease it for 66 years beginning in 1984. The Agency has made a commitment of a goal of 50% of RPSB dwellings being low and moderate income housing. While the Agency has an unusual record, it will take some time to reach that point, and the Agency would like to recommend that this be 100% below market a request to nonprofit housing development corporations solely, and that the mix be approximately 50% moderate, 25% low and 25% very low. The Agency also recommends that 10% of the units be at least three-bedroom dwellings. The Agency recommends a two-stage process in which it first asks for qualifications from nonprofit developers; the Commissioners would make a selection for a limited number of

finalists who would submit some concept drawings and a financial program. This process should take no more than 120 days.

Mr. Curt Gray, a resident at 527 Third Street, inquired if there would be a park in the area and Mr. Helfeld stated that there would be. He also inquired about the Oriental Warehouse, and Mr. Helfeld indicated that there is a proposal to have it refurbished and there have been discussions with the owner to transform it into a marketplace and preserve the building in its historic context. Mr. Gray was concerned that the area not turn into another Pier 39, or it would become too expensive to support the present population; Mr. Helfeld again pointed out that of the construction going on, 30% is for low and moderate income, and this particular site will have 100% low and moderate income housing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-88 BE ADOPTED.

- (1) Mr. Helfeld introduced item (1), which authorizes an Eighth Amendment to Legal Services with Shute, Mihaly & Weinberger; all Redevelopment Project Areas, except Rincon Point-South Beach. This increases their contract by \$25,000 to a total of \$130,000 for all redevelopment areas except RPSB, as well as a modest increase in hourly rates and other administrative changes. This firm has been providing specialized legal services to the Agency since 1981 relating to complex environmental issues, and there is a continuing need to have them available for consultation.

Mr. King expressed concern over Shute Mihaly's Affirmative Action Program, that they have women but no other minorities in the firm. Ms. Fran Layton, partner with Shute, Mihaly, indicated that the firm has been static in size for the past few years; it is a six-member firm and has not added to its staff in 3-1/2 years. She gave a complete report on the firm's Affirmative Action Program and efforts made to interest minorities in environmental. She noted the firm was also concerned, and will continue to work to seek out minority attorneys and work with Ben Hattem, the Agency's Affirmative Action Officer, who has given them ideas to pursue.

Mr. King thanked Ms. Layton for her concern, and indicated that he accepted her explanation and hoped they would continue to do the work they have been doing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-88 BE ADOPTED.

- (m) Mr. Helfeld introduced item (m), which requests an extension of the Redevelopment Agency lease for office space with Bay Area Air Quality Management District at 939 Ellis Street. The current lease expires on June 30, 1988 and the new lease would be for an additional year with an option for one year beyond that. The rental rate for this extension reduces the current rate by 17%, saving the Agency almost \$55,000 the first year.

President Newman thanked Mr. Mardikian and his committee for doing research on a number of different buildings that could have been very satisfactory for the Agency, and stated that they were very pleased that staff was able to negotiate a satisfactory lease in the present location.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-88 BE ADOPTED.

- (n) Mr. Helfeld introduced item (n), which requests a First Amendment to the 1988 Letter Agreement to provide the services of an employee to the Mayor's Office of Community Development. This request is to extend the employment of Martin Gustavson; his contract runs through February 29, 1988 and arrangements have been made to extend the Letter Agreement through April 9, 1988. There are sufficient funds available to pay for the extended term of employment.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-88 BE ADOPTED.

- (o) Mr. Helfeld announced that the meeting would adjourn to the Fourth Floor Conference Room for a workshop to present the Art Plan for the Marriott Hotel development in Yerba Buena Center.

PERSONS WISHING TO ADDRESS THE MEMBERS NON-AGENDA BUT AGENCY-RELATED MATTERS

Curtis Gray inquired about an item from the meeting of February 23 regarding the hotel/supermarket plan for YBC and wanted to be on record as opposed to another hotel in that area. Mr. Helfeld indicated that it has been very difficult to secure a supermarket in that area because there are not enough people to be served, so if the Agency could get something that provided a better economic return to a developer, some of those funds would be used to subsidize a supermarket.

The meeting recessed to the Fourth Floor Conference Room at this time to take up item (o) at 5:05 p.m. and reconvened at 5:10 p.m. with the same roll call.

- (o) Workshop and approval of the proposed art plan for the YBG Associates Hotel Development on the Central Block 1 and Central Block 2 Marriott Hotel Site, Yerba Buena Center. This proposal calls for a variety of art work in the various public spaces of the hotel. \$400,000 of the total arts budget of \$1,288,000 will be set aside for an as-yet-unidentified major art piece to be placed either in the Galleria or the Forecourt Plaza on Market Street. Staff has been working with the developer and art consultant Helene Fried, who has reviewed the proposal with a number of prominent art critics. Locations of the art works include the main lobby, lobby concourse, ballroom and tunnel and the mezzanine atrium; six of the 16 original works will be specially commissioned for the Marriott, and museum quality procedures will be followed for framing, lighting and signage for

each piece. Marriott will produce a catalog brochure describing the collection for the public's information.

Don Chandler of Marriott introduced Helene Fried, who made the presentation and showed slides of the artists' work and noted where each piece would be placed in the hotel.

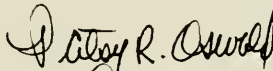
Mr. Helfeld noted that Marriott, Don Chandler and Helene Fried should be congratulated on the thoroughness, care and sophistication of the process, and was delighted that Tony Lumsden was involved and believes this is going to be a wonderful addition to the art scene in San Francisco.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 58-88 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED

March 29, 1988

3/15/88
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN~~ FRANCISCO HELD ON THE
15TH DAY OF MARCH, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of March, 1988, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Charlotte Berk
Leroy King
Melvin D. Lee

and the following were absent:

Walter S. Newman
H. Jesse Arnette
Carl D. Gustavson

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The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Randall Evans and Ace Washington, WAPAC; Cheryl Towns, Hunters Point Residents Association; Milton Dagovitz and George Couch, owners of 2201 Bush Street; Calvin Welch, Community Housing Organization; John Elberling, TODCO; and Jane Herzog, C. McCain, Mary Plummer, Diane Madole, Ting and Chin Louie, Jose Raposas, Juanita Escato and Diana Colby of TODCO residential housing developments; Essie Collins, John Bardis.

Representing the press were: Gerald Adams, San Francisco Examiner, Steve Massey, San Francisco Chronicle, and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of February 23, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Moscone Convention Center expansion documents will come before the Board of Supervisors' Finance Committee on March 16, then goes to the full Board of Supervisors on March 21, and to this Commission for action on March 29, 1988.

- (b) Last fall the Agency produced a draft housing plan which is still being put into final form for a Commission recommendation, including the proposed budget for a 12-year housing program. This will be forthcoming in a matter of weeks for Commission approval.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), requesting approval of the Report on Proposed Amendments to Redevelopment Plans for the Embarcadero-Lower Market (Golden Gateway), Hunters Point, India Basin Industrial Park, Rincon Point-South Beach, Yerba Buena Center and Western Addition A-2 Redevelopment Project Areas for the purpose of merging the redevelopment project areas and forwarding same to the Board of Supervisors of the City and County of San Francisco for its information.

Mr. Helfeld noted that items (a) through (i), held over from the Regular Meeting of March 1, 1988, are related and would be presented together but should be acted on separately. All items deal with the merging of the six Redevelopment Projects. Item (a) requests approval of the report on the proposed amendments to the Redevelopment Plan and forwarding them to the Board of Supervisors for its information. Items (b) through (g) are public hearings and approving the proposed amendments to the six separate projects to be merged to the Board of Supervisors of the City and County of San Francisco. Item (h) would transmit the proposed amendments to the Board of Supervisors for its consideration, and item (i) would transmit the proposed amendments to the City Planning Commission for its report and recommendations. Mr. Helfeld emphasized that this merger is for financial reasons only, does not affect any land use, development standards or other provisions in any of the redevelopment areas, and enables the Mayor and Board of Supervisors to assign tax increment funds to the Agency so that the purposes of redevelopment, including the provision for low and moderate income housing, could be effected. The crucial ability of the Agency to expand its housing programs is involved with this action, as well as enabling it to continue its activities in present and future project areas. The amendments merge the project areas and extends the time (except for Rincon Point-South Beach, which has a time limit of 2011) and duration of the plans for tax increment financing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 44-88 BE ADOPTED.

- (b) Public Hearing to hear all persons interested in the proposed amendments to the Embarcadero-Lower Market (Golden Gateway) Redevelopment Plan related to the proposed merger of six redevelopment project areas.

Acting President Mardikian opened the Public Hearing to hear all persons interested in this matter.

Resolution No. 45-88 requests approval and recommendation of the proposed amendments to the Embarcadero-Lower Market Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

Cheryl Towns, New Bayview Committee, indicated that Redevelopment has been successful in achieving physical development objectives for Hunters Point and India Basin, but not social, economic and employment objectives and, in fact, many of these situations are worse since Redevelopment. The New Bayview Committee opposes any plans to merge until receiving adequate written and legal assurances that these problems will be dealt with. They are grateful for the good that Redevelopment has done, but want Redevelopment to also be responsible for the negative impacts it has created.

After consultation with Mr. Helfeld, Mr. Borregard suggested that it would be advisable to open all items to public hearing, and let speakers address any aspect of the matter instead of incorporating testimony into every item, after which the hearings would be closed and action would be taken on each item. Acting President Mardikian then opened items (c) through (g) for public hearing.

- (c) Public Hearing to hear all persons interested in the proposed amendments to the Hunters Point Redevelopment Plan related to the proposed merger of six redevelopment project areas.

Resolution No. 46-88 requests approval and recommendation of the proposed amendments to the Hunters Point Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

- (d) Public Hearing to hear all persons interested in the proposed amendments to the India Basin Industrial Park Redevelopment Plan related to the proposed merger of six redevelopment project areas.

Resolution No. 47-88 requests approval and recommendation of the proposed amendments to the India Basin Industrial Park Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

- (e) Public Hearing to hear all persons interested in the proposed amendments to the Rincon Point-South Beach Redevelopment Plan related to the proposed merger of six redevelopment project areas.

Resolution No. 48-88 requests approval and recommendation of the proposed amendments to the Rincon Point-South Beach Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

- (f) Public Hearing to hear all persons interested in the proposed amendments to the Yerba Buena Center Redevelopment Plan related to the proposed merger of six redevelopment project areas.

Resolution No. 49-88 requests approval and recommendation of the proposed amendments to the Yerba Buena Center Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

- (g) Public Hearing to hear all persons interested in the proposed amendments to the Western Addition A-2 Redevelopment Plan related to the proposed merger of six redevelopment project areas.

Resolution No. 50-88 requests approval and recommendation of the proposed amendments to the Western Addition A-2 Redevelopment Plan to the Board of Supervisors of the City and County of San Francisco.

Calvin Welch, Council of Community Housing Organizations (CCHO), noted his concern about laws governing mergers, specifically the affordable housing fund. Regarding the document entitled "Towards a Comprehensive Housing Program, 1989-2000", draft six, dated March 14, 1988, he noted that the program does not earmark enough affordable housing units and that there is too much money being used for the work involved. He found unacceptable the percentages and amounts used for the median income brackets for the housing, and urged the Commission to hold this matter over to allow the Agency to develop a proposal and disseminate it to people in San Francisco interested in affordable housing, and then hold a public hearing on what CCHO considers a significant change in policy.

Mr. Helfeld again emphasized that the merger is a financial mechanism which enables the Commission to request that the Mayor and the Board of Supervisors allocate tax increment funds to the Agency to undertake redevelopment matters, including low and moderate income housing, economic and social development. Regarding Hunters Point-India Basin, the merger is an opportunity to assist that community because this area has very little tax increment. In the next 10 years, Hunters-Point and India Basin produce very little tax increment -- not until the year 2002 will they come close to \$2 million, so the notion is that if the community and elected officials want the Agency to continue work in these areas, those funds would be available from the merged Redevelopment Projects. The Agency is not trying to avoid any obligation as to social and economic development. Mr. Helfeld reiterated the objectives of the program submitted three weeks ago in the proposed budget sent to the Mayor, including: 1) Providing low and moderate income housing funds; 2) Completing projects already underway; 3) And setting aside funds for possible future projects such as Fishermans Wharf and South Bayshore in Hunters Point, for which a sum of \$5 million has been set aside for 1989.

As to Mr. Welch's comments, Mr. Helfeld indicated that last fall the Agency prepared a draft housing study so that the Agency could get input from many groups, including elected officials and their staffs, the Mayor's office, and various community groups; they have met with CCHO many times since then. The document to which Mr. Welch refers is a draft of what recommendations might be,

based on discussions over the past six months. Mr. Helfeld indicated that he did not see why there was a misunderstanding about the tax increment funds for housing; there is no intent to use any of this money for market rate housing, and all funds are for low and moderate income housing.

Mr. Lee inquired about the \$460 million between 1989 and 2012 mentioned by Mr. Welch. Of that money, only \$35 million is allocated for low and moderate income housing - are those the correct figures? Mr. Helfeld indicated that his projections did not go beyond the year 2000, and Mr. Welch must have extended those figures to 2012. In the 12-year program, the projection is for the utilization of \$311 million, of which \$159 million is to be utilized for low and moderate income housing, with \$10 million in 1989 and escalating 5% annually. These projections would be checked every year to make certain that the assumptions are correct. Also, every year the elected officials and the Commission would have to review the proposal, the Agency work program, and any bonds that may be issued.

Mr. King inquired if that meant that there would be annual public hearings, and Mr. Helfeld affirmed.

Ms. Berk inquired if Mr. Welch were speaking only to the proposed housing program, and Mr. Welch affirmed, indicating he would like to see the proposal which the Commission has, as it might differ from the draft proposal which he has and if his proposal is incorrect, he wanted to rectify the figures for affordable housing. Mr. Helfeld indicated that the CCHO has had a draft copy of the housing proposal since last fall, and what is before the Commission is not a housing program; it is a financial merger to permit the Commission to adopt certain policies and directions and recommendations to the Mayor and other officials who deal with housing.

Acting President Mardikian indicated that in this time of fiscal crisis and housing problems, it behooves the Commission to take the step to place this merger before the Board of Supervisors for further discussion and review, so that this idea which has a great deal of merit as a way for the City to generate funds to invest in itself for more affordable housing, can get a full airing at all levels of City government.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the public hearings closed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 45-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 49-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 50-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 51-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-88 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which authorizes an Owner Participation Agreement with Melvin and Angela Dagovitz, George and Katherine Couch, regarding 2201 Bush Street; Western Addition A-2. It is recommended that this item be continued for one week.

Melvin Dagovitz indicated that he wanted the matter heard at this meeting, as it had been held over a number of times. Regarding the hours and the control of liquor, they have already negotiated with Walgreen's not to open the store on a 24-hour basis in order to satisfy the needs of the community, and have also compromised by asking Walgreen's not to sell hard liquor. Walgreen's has agreed to this, but will not compromise further. Messrs. Couch and Dagovitz have met all the Agency criteria, so control of this matter becomes a situation of spot zoning; he is concerned that this property has been singled out in this manner.

Mr. King recommended to the Commission that the matter be held for one additional week.

MOTION: It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that Resolution No. 30-88 be continued for one week.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Lease with TODCO/YBC III for Parcel 3751-S in Yerba Buena Center.

The Acting President opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests approval of a lease with TODCO/YBC III for a parcel located at the intersection of Lapu Lapu and Bonefacio Streets for use as a community garden by and for the residents of the Yerba Buena Center Area. In September 1983 the Agency leased a portion of this parcel for

development of a community garden facility, Alice Street Gardens, for use by the residents of the Yerba Buena Center Area for \$25 a month. TODCO thereafter constructed planting, irrigating and fencing improvements on the premises at a cost of \$103,000 funded by the City. This parcel is adjacent to two low- to moderate-income TODCO housing developments for the elderly and physically handicapped, Mendelsohn House and Dimas Alang House, containing a total of 336 units. There are also 273 units of similar TODCO housing near this parcel. TODCO contracted staff will be responsible for the maintenance and management of these gardens. The term of the lease will commence on April 1, 1988 and continue for ten years. The tenant will pay rent at an annual rate which defrays Agency costs of administering the lease, and will maintain appropriate insurance.

John Elberling of TODCO noted that the gardens have been in existence since 1983, and they will be adding about \$25,000 in ornamental improvements later this year as part of the landscaping of Mendelsohn House. He introduced some of the resident gardeners who came to this meeting: Mary Plummer, Ceatrice Polite House; Mr. and Mrs. Louie and Mr. Wu, Clementina Towers; Mrs. Escoto and Mr. Reposas, Dimasalang House; Mrs. Gong, Mrs. Lu, Mrs. Martin, Mrs. Foster, Mrs. Lin, Mrs. Fok, and Mrs. Carraguay, Woolf House. The gardens are available to all residents of the YBC senior housing developments, and have been a wonderful success, and he thanked the Commission for its support.

There being no further persons wishing to appear in connection with this matter, the Acting President declared the Public Hearing closed.

Ms. Berk congratulated the gardeners on their work and thanked them for coming. Flora Carraguay of Woolf House indicated that she is grateful for the garden as they cannot afford to buy fresh vegetables, so this supplements their incomes and provides healthful food for them. Mary Plummer of Ceatrice Polite agreed with Mrs. Carraguay, adding that it also provides an opportunity to get outside and get some needed exercise.

Acting President Mardikian thanked all the speakers and wished them much success with their work.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 61-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which authorizes distribution of a notice of intent to acquire a parcel located on the south side of Townsend Street between the Embarcadero and Second Street; Rincon Point-South Beach. The Agency approved a Resolution on July 14, 1987, stating that the two parcels of land which make up the so-called Site L be aggregated for housing development. As the present owners of these parcels have been unable to agree regarding joint development and sale, it is proposed that the Agency purchase the smaller of the two lots in an effort to bring

about an aggregated development. On February 9, 1988, the Commission approved a Resolution authorizing the Executive Director to establish an amount to be offered as just compensation, and to begin negotiations with the owners of the lot, Harold and Shirley Groner. However, negotiations have been unsuccessful, and it is recommended that the Agency continue to take the steps required by law to acquire the property. Notification of the property owners of intent to acquire the site is the next step in the process.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-88 BE ADOPTED.

- (c) and (d) Mr Helfeld introduced items (c) and (d): item (c) Authorizes establishment of investment accounts and a "Depository Agreement" with Mitsubishi Bank, and item (d) authorizes establishment of an investment account with the Local Agency Investment Fund (LAIF) of the California State Treasurer's Office. Currently the Agency's South Beach Harbor bank account is with Mitsubishi Bank, whose Letter of Credit secures the \$23,900,000 South Beach Harbor Variable Rate Demand Refunding Bonds earning about 5% per annum. The Agency wishes to establish investment accounts to better manage these funds to earn the highest yields, and establish a depository agreement providing protection for Agency deposits in excess of the FDIC insured amount of \$100,000. Also, the Agency wishes to participate from time to time in the LAIF established by the California Government Code to provide investment opportunities for local agencies. The Fund is managed by the State Treasurer and offers a vehicle for improved earnings by fund pooling. The maximum allowable investment is \$5,000,000.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-88 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

Randall Evans and Ace Washington of WAPAC noted their concern that Mrs. Smith of Mrs. Smith's Liquors, who has been in business for 18 years and has an Agency certificate, is about to be evicted by the new owner, Donald Tishman. WAPAC has been working with Tishman and the previous owner Mr. Yearman, Doris Ward, Willie Kennedy, Cheryl Towns, the media and a number of community people to see that she is not evicted. The community and WAPAC oppose this eviction, and they would like support and input from the Commission in this matter. Mr. Tishman told Mrs. Smith that if she stays there she must have a different kind of store, such as a delicatessen. Tom Newmanville, who works for Mr. Tishman, wants a wine and cheese shop. Mr. Evans noted that WAPAC's second concern is with finding the C-3501 seal. They are presently attempting to contact all of the present and former WAPAC Board members. The Sun-Reporter newspaper publishes stories

practically every week about WAPAC's effort, and they are arranging to meet with Speaker Willie Brown, the Housing Authority, the Mayor's Office, and the Board of Supervisors. Ace Washington noted there would be WAPAC meeting on Mrs. Smith's liquor store problem this evening at the Ella Hill Hutch Community Center.

Mr. King inquired if Supervisor Kennedy still had her Western Addition Community Association meetings and Mr. Suttle indicated that Supervisor Kennedy for two years had regular Wednesday morning meetings of the WACA, which he attended. The meetings were discontinued around the time of discussions about new district elections; he understands from her assistant Rich Nichols that they will revive these meetings, pending the outcome of the district elections.

Acting President Mardikian announced at this time, 5:15 p.m., the meeting would adjourn to the Fourth Floor Conference Room for a workshop to present the Mitchell/Giurgola design for Yerba Buena Gardens, Yerba Buena Center.

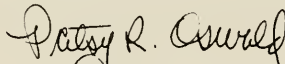
The meeting reconvened at 5:30 p.m. with no quorum; Mr. Mardikian and Ms. Berk were present.

- (e) Workshop to present design concepts for connection Central Blocks Two and Three, Yerba Buena Gardens. The Agency's architects for the Esplanade and Crystal Garden, Mitchell/Giurgola, have been developing a scheme for a landscaped deck and garden pavilion spanning Howard Street. Among several alternatives being considered are the currently approved plan that provides for two bridges over Howard Street, and other proposals for bridging the street. The expansion of the Moscone Convention Center under Howard Street and Central Block Two has presented the Agency with an opportunity to create a major new garden improvement over Howard Street.

Mr. Helfeld described the elements of the drawings; Fred Foote, Mitchell/Giurgola, explained the approach to the design; and Paul Scardini, Omi Lang Associates Landscape Architects, described the elements of the landscaping of the Gardens.

The meeting ended at 6:28 p.m.

Respectfully submitted,



Patty R. Oswald
Agency Secretary

APPROVED

April 19, 1988

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3/8/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF MARCH, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of March, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Vice President
Charlotte Berk
Leroy King
Melvin D. Lee

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and the following were absent:

Walter S. Newman, President
H. Jesse Arnelle
Carl D. Gustavson

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The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: George Couch, Owner of 2201 Bush Street; Marie Cleasby and Anne Bloomfield, Pacific Heights Neighborhood Association; Max Cologna, Owner of 2206 Fillmore; John Elberling, TODCO, and Daryl Higashi, Chinese Community Housing Corporation.

Representing the press were: Gerald Adams, San Francisco Examiner, and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of December 22, 1987, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of February 9, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of January 19, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of January 26, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Helfeld reported to the Commission on the following matters:

- (a) The Agency is studying the merits of creating a new Redevelopment Survey Area for the existing Safeway site in North Beach, for the purpose of creating affordable housing opportunities in the area. The 53,000 sq. ft. site is bounded by Chestnut, Taylor and Mason Streets and could accommodate at least 130 dwelling units with ground floor retail and commercial uses. This came to the Agency's attention recently when it was learned that Safeway would be moving its North Beach operation into a larger facility at the North Point Shopping Center. This could be a good opportunity to create a mixed-use, mixed-income development in this area.
- (b) The Agency received a presentation from Mitchell-Giurgola today which further carries forward the design refinements proposed for Yerba Buena Gardens. A Workshop will be held on Tuesday, March 15 for the Commissioners to review with architects and landscape architects on how this is proceeding.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests an Owner Participation Agreement for the Property at 2201 Bush Street, Western Addition Area A-2, with Owners Melvin and Angela Dagovitz and George and Katherine Couch, to construct a new building. This matter had been held over from the Regular Meeting of February 9 to consider neighborhood concerns regarding sale of discount liquors, hours of operation, parking, lighting and signage. Staff met on February 11, 1988 to discuss community concerns with Mr. Couch, who expressed willingness to negotiate and incorporate additional language into the OPA and advise Walgreen's representatives of these concerns. Staff also met with Mr. Couch and members of the Western Addition Neighborhood Association and Fillmore Merchants Association, at which time Mr. Couch agreed only to the restriction of hard liquor sales and operating hours to midnight. Community representatives stated they cannot agree to operating hours beyond 11:00 p.m., or to any alcoholic beverages. While the Agency supports the community concerns and wishes to constrain hours of operation and merchandise sold, Leo Borregard, Agency General Counsel opined that the Agency has no legal right to mandate such constraints against the Owners' wishes, the land use proposed being in accordance with the Redevelopment Plan. Therefore, the Agency recommends executing an OPA which contains only those constraints presently agreed to by the Owners, then continuing to work with the neighborhood and Owners to achieve community objectives, and working with the Alcoholic Beverage Control and a representative of Walgreen's, with reports to be made to the Commission periodically.

Mr. Borregard indicated that this area's Redevelopment Plan covering the site in question permits the sale of alcoholic beverages. In his opinion, where the land use permits the sale of liquor, the Agency cannot prohibit or limit the sale of liquor. This is in the exclusive province of the Alcoholic Beverage Control Commission. There is also nothing in the Redevelopment Plan or the Health and Safety Code which entitles the Agency to tell a property owner how long he may or may not stay open.

Max Cologna, owner of Bi-Rite Liquors at 2066 Fillmore, indicated he was concerned about the small merchants in this area, as the rents are very high in this area and many merchants are having a difficult time. If and when Walgreen's applies for a liquor license, neighborhood interests intend to protest during the 30-day ABC waiting period. He also expressed concern about parking, and supports the 10:00 p.m. closing.

Marie Cleasby, Pacific Heights Residents Association (PHRA), indicated they have not fought the 2201 Bush Walgreen's, as they see the advantages of having a chain drug store, but bitterly oppose hours later than 10:00 p.m. and the sale of alcohol. PHRA wants to cooperate, but they may fight this with ABC or other agencies.

Anne Bloomfield, PHRA, reiterated opposition to late hours and a liquor license, and felt that no one supports the community groups who were being given the runaround, as the Agency has no jurisdiction; the Planning Department indicates the matter is under Agency jurisdiction; and Alcoholic Beverage Control claims it is up to local authorities to tell you if a liquor license can be granted.

Mr. Lee inquired if there would be room to compromise, such as closing at 11:00 p.m., and Mr. Couch indicated that he did not have that agreement with Walgreen's, but he is not adverse to an 11:00 p.m. closing. Mr. Lee asked if the neighborhood representatives could compromise with an 11:00 p.m. closing, along with the sale of wine and beer, but no hard liquor. Anne Bloomfield of PHRA indicated that 11:00 p.m. was acceptable, but they would not compromise on the sale of any alcoholic beverages. Mr. Lee reiterated the Agency's lack of jurisdiction on ABC rulings. Mr. Borregard clarified this issue by stating that where the Agency owns and sells property, they have such jurisdiction, but as this property is not owned by the Agency, the Owners are only required to comply with the Redevelopment Plan, and they do.

Ms. Bloomfield inquired if the Agency would recommend that it is not appropriate to sell alcoholic beverages, even if the Agency cannot put it in the contract, and Mr. Helfeld indicated that the Agency is entirely in support of the neighborhood position and would do whatever possible to join them in making the case before the Alcoholic Beverage Control Commission, but the Agency had no legal authority to interfere with the Owner-Participation Agreement.

Mr. Mardikian inquired that, since the Commission had no authority to do anything about this problem, why was the Commission being asked to approve or disapprove the matter. Mr. Borregard indicated that the Commission was only being asked to approve the Owner-Participation Agreement in accordance with the Redevelopment Plan and the rules governing same, which only cover design review, scheduling of construction, and matters of that nature, where the Commission does have jurisdiction. The land uses under the Redevelopment Plan permit the sale of alcoholic beverages, which entitles the Developer to sell liquor, and the only persons able to tell them that they cannot is the ABC.

Mr. King inquired what would happen if the Commission did not approve the Agreement. Mr. Borregard indicated that there would then be no Owner-Participation Agreement, and Mr. Couch could have his plans reviewed informally, get a building permit, and proceed with construction. Mr. King inquired whether or not the Agency could put any of the conditions about liquor and operating hours into the Agreement and then have Mr. Couch challenge it. Mr. Borregard reiterated that the Agency does not have the legal right to impose those conditions in this Agreement with this particular development.

Mr. King indicated that he would like to put this matter over for a week, as he believed that the Commission had more authority than stated. Mr. Lee stated that he would not mind holding the item over for one week, but would suggest one additional meeting between the community and the Owners, with the community compromising on an 11:00 p.m. closing and the sale of beer and wine.

MOTION: It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that item (a), Resolution No. 30-88, be held over for one week.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests purchase of an Electronic Print Board for the Agency for all Redevelopment Projects. This 36" x 50" print board, which costs \$2,800, preserves information that is written, drawn or taped to it by reducing the information and copying it onto letter-size paper. It provides staff with a management tool which allows ideas and presentations generated during staff meetings to be accurately preserved and reproduced immediately during the meeting for staff analysis or reference. It is also ideal for negotiating sessions with owner/developers, as everyone can leave the meeting knowing what was discussed, what was agreed upon and what is left to negotiate.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which appoints and reappoints members to the Citizens Advisory Committee for the Rincon Point-South Beach Redevelopment Project. This involves reappointing eight of the original 17 members who are still active and 18 new members, to provide consultation and advice regarding policy matters concerning the planning and implementation of RPSB, including I-280 improvements, Pier 40 development, housing and design criteria, park design and development and possible project expansion. There remain major issues in this Project which should be addressed by an expanded Citizens Advisory Committee, and the people who have been recommended will provide valuable input on issues affecting the Project. Also, additional suggestions had been received from John Elberling of TODCO and some phone calls about expanding the Committee so that it represented a broad range of people. It is suggested to add a representative of the Save The Bay Association, and residents as they move into individual housing areas. It is also important that the Agency have ongoing developers represented who may expand their activities and/or be requested to participate, i.e., in the special assessment district. The Committee itself may suggest a broadening of their group as needed.

John Elberling of TODCO indicated that he was pleased to see the Agency revitalizing this Committee, and hoped it would lead to expansion of the project area, especially the Rincon Hill area where the Agency could develop a good deal of housing. He then suggested the following be asked to participate: Mr. de la Cruz from the South of Market Problem Solving Council; a representative from the Tenacious Tenants; Mission Bay Clearing House; Mission Bay; and San Franciscans for Reasonable Growth.

Ms. Berk inquired if Mr. Elberling's suggested additions were to expand the range of interests, and Mr. Helfeld stated that the Agency wanted to make sure there was a wide variety of groups.

Ms. Berk inquired if it was a conflict of interest to have Denise Connally representing Keyser-Marsten, since Keyser-Marsten had done work in YBC. Mr. Helfeld indicated this was a good point, and the Agency would look into it.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-88 BE ADOPTED.

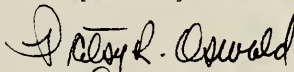
Mr. Helfeld inquired if it were the suggestion of the Commission that they omit Ms. Connally from the CAC list because of a possible conflict of interest, given that her firm had been involved in other Redevelopment projects. Mr. Borregard indicated that under the circumstances, his initial reaction is that there would be no conflict problem, but the Legal Department would take a look at it to see if there is one; if not, she would stay on the list.

Mr. Cannizzaro then introduced one of the prospective members of the Citizens Advisory Committee, Mr. Daryl Higashi of the Chinese Community Housing Corporation, and Mr. Mardikian welcomed him to the CAC on behalf of the Agency Commission.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:48 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED:

April 5, 1988

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3/22/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF MARCH, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of March, 1988, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
H. Jesse Arnelle
Charlotte Berk
Carl D. Gustavson
Leroy King
Melvin D. Lee

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and the following was absent:

Walter S. Newman, President

The Acting President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Mary Jane Staymates, Western Addition Neighborhood Association; Ben Golvin, BRIDGE Housing Corporation; Felix M. Warburg, Bush Street Synagogue; Max Cologna, Fillmore Merchants Association; William B. Cook, Moscone Cultural Center Board; Donald S. Tayer, Yerba Buena Gardens, Inc.; and Anne Bloomfield, Pacific Heights Residents Association.

Representing the press was: Steve Massey, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR AND OTHER STAFF

Acting Executive Director, Redmond F. Kernan, reported to the Commissioners on the following matters:

- (a) Executive Director Edward Helfeld is out of the country this week and will return to the office on March 28, 1988.
- (b) The Northern Police Station will hold an Open House at its new station, 1125 Fillmore Street, on March 24 from 5:00 to 7:00 p.m., and the Commissioners are invited to attend.
- (c) Agency General Counsel, Leo Borregard, indicated that he had attended the Board of Supervisors meeting on March 21 where they approved all of the Moscone Convention Center Legislation. There will be a second reading on March 28 and the Agency's action is scheduled for the Regular Meeting of the Commission on March 29.

UNFINISHED BUSINESS

- (a) Mr. Kernan introduced item (a), which requests an Owner Participation Agreement with Melvin and Angela Dagovitz, and George and Katherine Couch for the property at 2201 Bush Street; Western Addition A-2. This matter has been held several times in order to study community concerns regarding the sale of liquor, hours of operation, parking, lighting and signage. Staff has met several times with the Owner, representatives of the Pacific Heights Residents Association and the Fillmore Merchants Association. The Owners have agreed to restrict the sale of alcoholic beverages to beer and wine only, that they would agree not to sell hard liquor and have agreed to restrict the hours to not operate from 12 midnight to 7:00 a.m. The community desired that they shut down at 10:00 p.m. The Owners believe that every reasonable concession has been offered and any further adjustment would not be in their best interest. There is now an impasse in further negotiations. Although the Agency is reluctant to execute the OPA, Agency General Counsel has informed us that the Agency has no legal right to mandate constraints against the Owners wishes. The Agency therefore recommends execution of an OPA, which contains only the constraints previously agreed to by the Owners. However, the Agency will continue to work with the neighborhood and the Owners to achieve objectives sought by the community. If the OPA is not granted, the restrictions on the sale of liquor and operating hours will not apply, so the Agency feels that since the community at least now has those restrictions, it would be best to accept the present OPA. Further, Counsel has added language to the Resolution which allows the Commission, even though they have approved the Agreement, to pursue other legally appropriate remedies to further restrict the sale of alcoholic beverages and adjust the times; by approving this agreement, the Commission is free to pursue stricter remedies through other means.

Mary Jane Staymates, of Western Addition Neighborhood Association, indicated she believed the hours had been negotiated from 12 p.m. to 11 p.m., originally the community had asked for 10 p.m., and noted that they appreciated restrictions which had already been negotiated, but they still would pursue the sale of alcoholic beverages with the Alcoholic Beverage Control Commission, and they wish to ask for the support of the Redevelopment Agency.

David Ish, publisher of the New Fillmore Newspaper, inquired as to what legally appropriate means the Agency has to prohibit the sale of alcoholic beverages or the restriction of hours. Mr. Borregard indicated that this was speculation at this point, but he would assume that if there were sufficient evidence before the Agency that warranted the Agency to make an appearance or support some type of motion with the ABC, it would be legally appropriate. Mr. Ish asked how that would affect the hours, and Mr. Borregard indicated that, again on speculation, if there were a police problem or there was evidence that the extra hour between 11:00

and 12:00 p.m. contributed to a serious neighborhood problem, the Agency could legally and appropriately support an expression of community concerns to the appropriate authorities.

Mr. Ish indicated that he wanted the Agency to write a letter now to the ABC stating that the Agency supported the community in wanting to deny a license to sell beer and wine to Walgreens. Mr. Arnelle indicated that this is a question of restraint of free enterprise. Any merchant has the right to sell goods and services in an establishment and compete with other merchants similarly situated. Mr. Ish was asking the Agency to diminish the rights of one, which could in turn diminish the rights of others by establishing a precedent. Mr. Ish indicated that they were here to support the rights of the citizens of San Francisco and not the interests of corporate America; he wanted to protect the rights of the longstanding family-owned liquor businesses in the neighborhood. Mr. Arnelle indicated that he understood Mr. Ish's position, but it was still necessary to support the rights of others. Mr. Ish also felt it might be possible that the community would get a better response from the Planning Commission if the OPA were not approved. Mr. King indicated that he too was in support of the small businessman, but as General Counsel has pointed out, if the Commission does not move now on this OPA, they would not have any control at all.

Mr. Ish inquired if the Commission would be willing to draft a letter and go on record now supporting the community regarding the sale of alcoholic beverages and Mr. Borregard advised against writing such a letter. The powers of this Agency on this particular matter are not the same as the City Planning Commissions and whether this Commission is receptive or not in my judgement legally does not make any difference. This Commission has historically acted, and I know it will continue to act, in accordance with what the law dictates. The Planning Commission may very well have broader powers than this Commission. It has nothing to do with the receptiveness of the staff or Commission to the interest of the neighborhood. His concern on writing letters is that there are relationships of which he is not aware between the Owners of this site and certain possible tenants, and that he would want to make sure that the Agency was legally grounded before possibly interfering or seeming to interfere with that kind of relationship. There is a doctrine known as 'tortious interference', and the Agency should not involve itself in that type of risk because it could end up costing the Agency money, so he feels that the Agency should proceed as stated in the Resolution, with legal appropriateness. This means that the Agency has to take it on a case-by-case basis and see what may be done and what is legally appropriate for this Agency to do without seeming to interfere with the rights of others. That is my opinion.

Mr. Kernan indicated that it would be more timely to have staff track the matter, see whether Walgreens is in fact signed up as a tenant, understand when they apply for an application, and then

recommend to the Commission what might be the legally appropriate action at that time. The Agency is constrained and operates under the plan adopted by the Board of Supervisors and has no more jurisdiction than that given by the Board of Supervisors. It is recommended that the community and the Commission delay any action until the actual circumstances are determined, then take appropriate action.

Anne Bloomfield of the Pacific Heights Residents Association indicated the community's frustration at not being able to get support from the Agency, the Planning Commission or the Board of Supervisors. She would like the Agency to create another Resolution or an amendment to the present one that would add a statement of intention on the part of the staff to oppose a license from the ABC.

Ms. Berk inquired if the Resolution had been changed, and Mr. Borregard affirmed that he had made a change in the Resolution shortly before the meeting, and copies had been made available to community members at the meeting.

Mr. Arnelle inquired if this Resolution would have to come back before the Commission if Agency authorization is required to effect that part in paragraph two of the Resolution, and Mr. Borregard indicated the Agency had a voluntary agreement on the part of the Owner and wanted to proceed with that Agreement, but reserve to the Agency and the Commission, depending on future circumstances, to take such further action regarding alcoholic beverages and hours of operation as legally appropriate to make clear that the Agency was not stultifying itself by approving this OPA without some indication of this type of reservation. Mr. Borregard said he had discussed this possibility with Mr. Couch who indicated he understood the Agency's intentions.

Mr. Gustavson indicated that he lived in the neighborhood also, and inquired if the sentiment of the Commission is consistent with that of the neighborhood and is the Agency doing everything in its power to satisfy those requests. Mr. Borregard indicated that the Commissioners were sympathetic with the concerns of the neighborhood, and it was his opinion that the Agency had no legal power under the Redevelopment Plan, as the use permitted alcoholic beverages to be sold, so the exclusive jurisdiction on this matter lies with the ABC.

Ms. Berk noted that this matter had been negotiated for quite some time, and the Commission feels very strongly about it and there had been a number of extensions in the hopes of resolving the neighborhood concerns. The Commission does not want to threaten either the neighborhood people or the merchants. She agrees with what the community is telling the Commission, and nobody represents any one merchant. But the community must be aware of the Agency's legal limitations, and she feels more comfortable granting the OPA, noting the Commission can take appropriate legal

Acting President Mardikian indicated that he understood the neighborhood's concern that the Agency appeared to be "passing the buck" but, regretful as it is, it is clear that as far as the Commission is concerned, the buck doesn't stop here. As there is no action that would be legal on the Agency's part, there is no alternative but to pass the OPA. He suggested an amendment to the Resolution under Section (2), after "that in granting the foregoing authorization the Agency reserves the right," to insert the words "and that it is its intent, as legally appropriate...to seek the prohibition of the sale of any kind of alcoholic beverages." Mr. Mardikian inquired if there was any legal problem with this, and Mr. Borregard indicated that he believed that the addition of those words would not do any harm to the Agency.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-88 BE AMENDED AS STATED BY MR. MARDIKIAN.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-88, AS AMENDED, BE ADOPTED.

NEW BUSINESS

- (a) Mr. Kernan introduced item (a), which requests a \$325,000 interim loan to BRIDGE Housing Corporation in connection with the development of Morgan Heights, located adjacent to and northeasterly of Mariner's Village, in the vicinity of Hunters Point, and authorizing the Executive Director, in consultation with Agency Counsel, to execute such other agreements and documents as necessary to effect the Loan. BRIDGE proposes to develop 63 condominium homes for low or moderate income households or individuals, using city bonds for permanent financing for first-time home buyers. BRIDGE has requested an Agency loan to cover the construction costs of items added to the project since the closing of the construction loan, which will be repaid from the sales of the last homes in Morgan Heights after the first trust deed lender has been paid; it is anticipated that loan repayment will occur during the second quarter of 1989. Loan funds are being made available from the site improvement plans in Hunters Point, which will probably not begin until 1989.

Mr. Arnelle inquired how long the BRIDGE loan would be outstanding, and what is the security which supports the loan and assures that the Agency gets its value returned. Ben Golvin, BRIDGE Housing Project Manager, indicated that the homes should probably be sold by the first quarter of 1989, so that funds would be outstanding from approximately May or June of this year until February or March 1989. The security for the loan is in second position, as First Nationwide Bank would need to be repaid first. The sales proceeds are adequate to repay both loans with a little left over for a cushion, from sales proceeds of the last four units. Mr. Lee inquired what the project total sales figure is,

and Mr. Colvin indicated approximately \$7 million. Mr. Kernan asked what the price of the homes were, and Mr. Golvan indicated between \$99,000 and \$109,000 for two and three bedroom, two and three-story townhouses. Mr. Lee asked if the homes were restricted to first time buyers, and Mr. Kernan confirmed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-88 BE ADOPTED.

- (b) Mr. Kernan introduced item (b), which requests extension of exclusive negotiations from March 27 to June 22, 1988 with the Western Jewish History Center of the Judah L. Magnes Museum for the purchase and rehabilitation of 1881 Bush Street, Western Addition A-2. On October 27, 1987 the Commission authorized exclusive negotiations with the Developer, whose proposed use of the former synagogue is to serve as a regional center for permanent display of Jewish culture and history. The Developer has complied with most of the conditions of exclusive negotiations, including the identity of the new entity as a nonprofit corporation, the Bush Street Synagogue Cultural Center. However, additional time is needed to complete the documentation process. Ongoing discussions with the Asian American Theater Company for joint use of the facility for performing arts and other multi-cultural activities have demonstrated a good faith effort in attempting to accommodate this group.

Mr. Felix Warburg, one of the Directors of the Bush Street Synagogue, who is also managing the project, demonstrated a photograph of the original synagogue which was taken prior to 1916 when part of the towers blew down. They have included restoration of the towers in their cost estimates, and they will be able to reconstruct and redesign every part of the towers from this photograph. They are working with City Planning, the Landmarks Commission, and other historical groups, and hope to preserve it in its original condition.

Mary Jane Staymates indicated that the neighborhood is very excited about this development and their only concern is with the joint use as a performing arts center and hoped the developer would negotiate parking of some sort.

Ms. Berk asked Mr. Warburg about negotiations between them and the Asian Arts representatives. Mr. Warburg said he had had a recent meeting with three of the directors of the theater, including the Executive Director, and they discussed in great detail what their needs would be in terms of rehearsal and performance space, as well as classroom and backstage construction space. At that time Mr. Warburg asked them to send him a letter detailing their entire program projected two years from now, which is when the facility would be available. When he has this information, he can sit down with them and determine what, if any, conflicts there might be with their proposed uses, which are still in an embryonic stage. They will be providing this information in the near

future. They all agree that as a cultural center for the community, it would be a good thing for both groups.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 66-88 BE ADOPTED.

At this time, Mr. Kernan indicated that Mr. Borregard wished to clarify some language in item 5(a). Mr. Borregard indicated that his interpretation of Acting President Mardikian's statement that it was the Commission's intent to take legally appropriate steps, if he also meant that the Commission wanted to determine if the steps were legally appropriate. Mr. Mardikian confirmed, and Mr. Borregard indicated that he would modify the resolution to make this clear.

- (c) Mr. Kernan introduced item (c), which requests a Personal Services Contract with William B. Cook in an amount of \$30,000 for cultural planning services, Yerba Buena Center. The Operating Board for the YBG Cultural Center has worked intensely on program and management issues for the past two years, and they now need specialized assistance in several areas. The Board would like to research and provide a strategy for obtaining foundation and private resources to fund interim operating expenses and provide capital funding for items not included in the Agency's budget for the facilities, including coordination between the Operating Board and the arts community to assist the Board in making recommendations to the Agency for consideration by the Cultural Center architects. The Board requests the Agency hire Bill Cook as a consultant to work on these and other pressing needs for the successful completion of the design and startup operation for the facilities. Mr. Cook has a proven track record in the local and national arts community and extensive experience in government. He is the Executive Director of American Inroads, was former Executive Director of the California Arts Council, and has wide experience in the administration of cultural programs. He is willing to serve in this capacity and will resign from the Operating Board, on which he has served since its inception, prior to entering into a contract.

Don Tayer, a member of the Operating Board of Yerba Buena Gardens, indicated that the staff report amply described the reasons why the Board, at a meeting last month, made the decision to recommend to the Commission the approval of a contract with Bill Cook. He wanted to emphasize on behalf of the Board how strongly they feel that at this critical juncture it is necessary to get the kind of additional expertise that a consulting agreement with Bill Cook will afford to them. The Yerba Buena Gardens Board has been reviewing for several months a number of architectural studies, meeting on a regular basis with the architects for the various parts of the project, and the Board feels at this point that it must have some more cohesive direction from a consultant who is extremely knowledgeable in the field of visual and performing arts, and Bill Cook certainly fits this description.

Ms. Berk indicated that, as a member of the Yerba Buena Gardens Board, she cannot remember ever working with another group as remarkable as this one. These are people who have given much energy, time and effort. Bill Cook and Bil Osterhaus have especially given a great deal of expertise, and they are very fortunate to have Bill Cook on the Board, and she believes that he is a marvelous choice for this position.

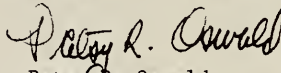
ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 67-88 BE ADOPTED.

Mr. Mardikian congratulated Mr. Cook and invited him to tell the Commission about his plans. Mr. Cook indicated that, given the amount of time that the Board has made available to the project and the lead time that they have to plan the type of programming that can go on there, he feels that there will be a large demand for the center. The Agency provided all of the capital funding for the project with generous operating support, but this only sets the stage for other fund raising. He wants to develop foundations for multicultural work in San Francisco, for commissioning new works, for actual earned income; at this time the arts have suffered from a big drop in funding from government support and private donations, both corporate and foundation.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: May 3, 1988

R35
#4
3/29/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF MARCH, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of March, 1988, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Charlotte Berk
Carl D. Gustavson
Leroy King
Melvin D. Lee

DOCUMENTS DEPT.

and the following were absent:

JUL 22 1988

Walter S. Newman, President
H. Jesse Arnelle

SAN FRANCISCO
PUBLIC LIBRARY

The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Sue Hestor, Esq.; Jane Herzog; Rudy Nothenberg, San Francisco Chief Administrative Officer; Arnold Luth, Peter Culley & Associates; Ace Washington and Randall Evans, WAPAC; and Sherman Hill.

Representing the press were: Gerald Adams, San Francisco Examiner; Steve Massey, San Francisco Chronicle, and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the closed session of February 9, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of February 16, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the regular meeting of March 1, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

(a) There was a 'topping off' ceremony at the Marriott Hotel on March

25, 1988; actual completion of the hotel should occur within 18 months.

- (b) The Board of Supervisors March 28, 1988 voted in favor of the Moscone Convention Center Expansion, and those documents will be considered by the Commission today.
- (c) The Commission approved the merger of all the Redevelopment Projects at the meeting of March 15, 1988. It was expected that the Board of Supervisors would be considering this matter soon; however, at the advice of the Mayor's Office, given the intense concern which the City is undergoing regarding its budget difficulties, it is recommended that the request for a hearing on the merger be postponed until after the City budget is passed in July.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests a First Amendment to the contract with Peter Culley and Associates (PCA), increasing the contract by \$110,000 to a maximum of \$140,000, Rincon Point-South Beach. This amendment authorizes PCA to provide the design and construction consultation for structural repairs to Pier 36, which repairs are estimated to cost \$1-1/2 million, and for the move of the old Service Engineering Company (SECo) and the historic Pier 42 bulkhead building from their present location at Pier 40 to Pier 36, so that Pier 40 can be rehabilitated as part of the South Beach Harbor improvement program. Before a notice to proceed for this design work is issued, approval must be obtained by the Board of Supervisors. Authorization of this First Amendment advances our program for the completion of the South Beach Harbor improvements. PCA has demonstrated a high degree of competence and responsiveness to the needs of the construction program. PCA is also committed to spend at least 25% of the new contract funds with Minority Business Enterprise subconsultants and at least 5% with Woman Business Enterprise subconsultants, as well as hire trainees through the Engineering Societies Committee for Employment and Manpower Training in excess of the Agency's goal.

Mr. Lee inquired as to the timetable for completion of the contract, and Mr. William Nakamura, Chief, Engineering and Rehabilitation, indicated that final arrangements on the timetable have not been worked out. The construction design will take about three months and it is anticipated it will be another three months before receiving approval from the Board of Supervisors.

Mr. King inquired about their affirmative action program, which he thought looked good but could be improved. Mr. Arnold Luft, President and Chief Operating Officer of Peter Culley and Associates, responded that he was under the impression that Mr. King thought there were no black employees at PCA, however PCA does have a black employee on the administrative staff and a commitment has been made that upon notification of award that they will bring onboard, to the best of their ability, a black

engineer. Mr. King indicated that he was satisfied with this statement.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 68-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b) which requests an extension by one month, through April 30, 1988, to the Memorandum of Agreement with the International Federation of Professional and Technical Engineers, Local 21. This Memorandum of Agreement was amended in December to extend it through March 31, 1988. Negotiations are nearly complete, but will not be concluded by that date. Therefore, an additional one-month extension of the Agreement is recommended. Staff believes that this extension will be sufficient to conclude negotiations, get ratification by the membership, and approval by the Commission.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. KING, AND UNANIMOUSLY APPROVED THAT RESOLUTION NO. 69-88 BE ADOPTED.

- (c) After conferring with Agency Counsel Leo Borregard, Mr. Helfeld asked that the Commission move to item (e) and call the Public Hearing, and then items (c) through (j), which are all related to the Moscone Convention Center Expansion, will be introduced.
- (e) Public hearing to hear all persons interested in the 1988 Project Lease with the City and County of San Francisco; Yerba Buena Center.

Acting President Mardikian opened the Public Hearing to hear all persons interested in this matter.

Leo Borregard, Agency General Counsel, introduced items (c) through (j) as follows: Item (c) is an environmental resolution, and the substance of it says that the prior Yerba Buena Center environmental reports and supplements, including the initial study which was dealt with at the time of the Sixth Amendment to the Disposition and Development Agreement with the developer, are adequate for the Convention Center actions that the Commission is going to be asked to approve in items (d) through (j). Item (d) is a resolution which authorizes a Second Amendment to the 1979 Project Lease, and a First Amendment to the CB-3 Surface Lease. These amendments in essence rearrange the CB-3 surface and enable the City's proposed CB-3 meeting rooms to be included in the new 1988 Project Lease, which you will deal with in item (e). Also, the Second Amendment to the Project Lease of 1979 also provides for, among other easements, an egress easement from the subsurface on Central Block 2 to the surface on Fourth Street to provide vehicular egress from the loading docks. Item (e), which is the Project Lease Resolution, and item (f), which deals with the 1988 Reciprocal Easement Agreement and the 1988 Coordination Agreement, are documents which together deal with the Moscone expansion. The 1988 Project Lease leases the Convention Center property to the City; the 1988 REA and the 1988 Coordination Agreement deal with

necessary easements, coordination and design review. He added that the City contracts will be involved in the construction, and therefore City Affirmative Action and City prevailing wage standards will apply, as will the City's one percent art requirement. Item (e) will also make findings as the Board of Supervisors has already made, that the expansion will benefit the Yerba Buena Center Project, and that there is no other reasonable means to finance the expansion except through the bonds supported by the Project Lease and the documents and transactions related thereto. Item (g) creates Joint Powers Authority by agreement with the City; this Authority will purchase the not to exceed \$140,000,000 in bonds necessary for the Convention Center expansion. Item (h) authorizes the issuance of the bonds, and a Purchase Agreement between the Joint Powers authority and the Agency, and item (i) authorizes a Rimbursment Agreement with the City and the Mitsubishi Bank in connection with the bond financing. The final item, (j), contains the determination required by Proposition B, passed by the voters of the City in 1986, which is a determination that the Convention Center expansion does not materially affect the above-ground elements of the existing Disposition and Development Agreement between the Agency and YBG Associates. As already indicated, it is suggested that the Commission take testimony on any and all of these matters, then close the public hearing and deal with the items separately; and, as Mr. Helfeld has already indicated, the Board of Supervisors adopted all of these matters a week ago and had a final reading on all of the ordinances yesterday, so the City has adopted and approved all of the legislation that deals with the Convention Center expansion.

Sue Hestor indicated that the EIR and the supplemental EIRs are seriously out of date. The City has gone through substantial revisions in its transportation methodology since even the second EIR was drafted. Part of that is in the Downtown Plan EIR, another phase of it is the Mission Bay methodology. Neither of those is reflected in the transportation analysis in the EIR or SEIRs before the Commission. The Agency does not have what is needed legally on transportation. The Agency also cannot rely on hypotheses about what a Convention Center will have in terms of impacts, when there are now measurements to test those hypotheses. None of the SEIRs or EIRs that she had read on the Convention Center describe the impacts that happened with the Apple Convention last fall that ground south of Market to a halt for hours. The fact that ten years ago someone might have projected that the Convention Center would have certain kinds of impacts at this point, if those impacts are exceeded in reality in 1987 and 1988, the environmental documents must be revised to reflect reality and they do not. Additionally, an EIR cannot be split which is what this memo to the file seems to be dealing with. There are two little pedestrian bridges in the old SEIR and now there is talk about an enormous platform with a structure on top that will have visual impacts, wind impacts and probably transportation impacts that is not in any of the SEIRs. Also CB-2 and CB-3 will have to be redesigned as a result of this requiring

an environmental evaluation. There is an expansion on CB-3 of meeting rooms on the top. The memo to the file is attempting to segment the Project, in violation of State Law. The other implication that is missing in the EIR and SEIRs is the implications of the Fifth and Mission Garage, which is the result of this Convention Center, because the parking is taken away and since the EIR was drafted, additional demands for parking have been placed on the area by the approval and construction of Nordstroms. The process also was the epitome of a non-public process because as far as she knows every environmental document that is issued by the Planning Department is sent to her and she never saw the March 11th memo. A \$140 million limit was on the ballot, but costs are being shifted onto the public because they are being shifted onto the Agency, which is the public, such as operating expenses for YBC. There is a suspicious item in the merger budget documents that looks like a payment to O & Y on YBC for the redesign costs for the interface between what used to be their meeting rooms and the parking and is now the meeting rooms and the Convention Center. O & Y indicated that redesign costs were in the neighborhood of \$5 to \$6 million. There are other costs that are going to be incurred, and they are going to come out of the Agency's budget, they are going to come out of funds that are supposed to be available for public benefits in YBC, because all of a sudden there is this enormous platform with a crystal palace on top of it. That has a substantial cost and it is being paid for by the taxpayers, out of YBC money that belongs to the Agency that should otherwise be available for either improvements in YBC or should go back to general taxes. The redesign of the Gardens should be attributed 100 percent to the Convention and Visitors Bureau for the cost of the Convention Center expansion. She indicated she was astonished to find out last week in a meeting at the Mayor's Office that there is a mirror image entrance on Central Block 2 to match Central Block 3 which was never explained to anyone in the public and was not taken before the voters. There are going to be two Convention Centers and that is why there is the second lobby and that was not in the environmental review and was not on the ballot. She believed that there was no hope in the next couple of years of having any public uses as there will be the Marriott Hotel, and expanded Convention Center, and some housing around on some blocks, in a situation where the housing is basically unsupported by the rest of the activities in YBC. The people can be asked to be good soldiers and go along with the deal, and be salami sliced to death without having lawsuits, and without having total lack of faith in City Hall and she believed the environmental evaluation is legally, massively deficient.

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Helfeld indicated that on the whole question of the EIR, the Agency had advice from perhaps the best environmental law firm in the State, certainly in the City, who advised us that the EIR is

quite adequate for what is being proposed. The issue was raised on the so-called platform and crystal court, vs. the two small bridges and, as the Agency has tried to emphasize, the original EIR approved a scheme that had the two small bridges; those are still there, and staff is exploring other possibilities to improve the whole quality of the Gardens, but the project can proceed with the two small bridges, and that is what the EIR is based on. The issue of the \$140 million not being sufficient and a burden shifted to the Redevelopment Agency is not understandable, nor the references made to "\$5 million tucked away". The City is responsible for the payment of the bonds, and not the Redevelopment Agency, and there is no intention to spend any money on the Convention Center by the Redevelopment Agency which has never been discussed in all the time we have had discussions with City officials.

On the question of redesign and the design of the public improvements, the basic configuration of the public spaces in Blocks 2 and 3 are essentially the same. There is the esplanade, the cascading fountain, and another garden on Block 3. As the Convention Center is designed, indeed there are appurtenances that come out of the ground, but those are no different in many respects to the appurtenances that would come out of the ground with the garage underneath the Convention Center. So, again, there is no change in the EIR. It is startling that this Agency is somehow not intending to proceed with the public open spaces and the art complex and the theater. The Agency has never wavered in proceeding with those public undertakings, and indeed now have under contract three architects who are in detail designing those facilities, working with a citizens' group called The Operating Board, so that it seems to me there are unreasonable charges being suggested, certainly in that regard, and in the other regards.

Mr. Borregard indicated that while Mr. Helfeld addressed the environmental questions in general, Mr. Mihaly is the person who prepared the Resolution which is item (c), on behalf of the Agency, and Mr. Mihaly, as all know, is a premier environment lawyer in this City.

Mr. Lee asked for an explanation of Sue Hestor's comment regarding the two Convention Center entrances necessitating a massive redesign of the two bridges.

Mr. Helfeld indicated that alternate ways are being explored to gracefully improve that connection and if there is such a modification, it will require an EIR, because it will be a substantial modification. In terms of proceeding with the Convention Center, the existing bridges would work and are part of that EIR, but there are several alternatives that are being explored in terms of possible improvement in the bridging of Blocks 2 and 3.

Mr. Gustavson indicated that in Resolution (c) there are a number of social or other objectives that are reached, and there are two

pages of numbers that quantify these, such as \$150 million annually in additional revenues from conventions, \$65 million in hotel and motel sales; what is the source data for these numbers and analysis and Rudy Nothenberg, Chief Administrative Officer, indicated that the initial study is a McKenzie study, and the second study is a Laventhol & Horvath study, just on the hotel tax alone.

Ms. Berk indicated that Sue Hestor has brought up the question about the changes in transportation, as well as the projected transportation needs which will result from increased activity and size and inquired if there is any part of the Agency's EIR material where this is addressed.

Tom Conrad, Chief, Planning, Housing and Development, indicated that the initial study that was done by the Agency was completed in December of 1987 and looked at the whole of the expansion of the Convention Center, as to whether there are any new significant environmental impacts that were not analyzed in the original document and the two supplements, and the answer was no, there are not. Then it focused on the traffic issue and the replacement parking and where it might go, if it goes at Fifth and Mission in the garage, will it have any new significant impacts and the answer again was no. But to the basic question about additional convention patrons and additional traffic load, both pedestrian and vehicles, the answer was no, there is no change.

Ms. Berk inquired if this included the projected measurement of the effects on City traffic and Mr. Conrad indicated, yes it did, as well. Pedestrian, vehicle and patrons.

Mr. Lee inquired if Sue Hestor's earlier question about the additional patron or traffic load had been answered by Mr. Conrad's previous reply, and Ms. Hestor indicated she believed Ms. Berk was asking about the source documents, which she was told was the 1977 document, and the answer is the Agency believes it is not revised and there is no evidence of that. The process of environmental review is to test things with the public, that is what it is about. She noted the documents had never been made available to her.

Mr. Conrad indicated the initial study was done jointly as a joint lead agency, which the Agency has been operating under since 1977 with the Department of City Planning representing the City. The documents referred to are the 1978 Environment Impact Report, the initial one; the two supplements, one which was done in July 1981, and one which was done in November 1983, combined into one legal document known as the Final Environmental Impact Report for YBC. The Agency has looked at the expansion of the Convention Center to determine if there would be any new significant environmental effects caused by that expansion and the replacement of the parking that were not analyzed in the three documents together and the answer was no; there are no new significant environment effects that were not analyzed in those three documents and that

is what this initial study was, a part of the record that was given to the Commissioner for their review.

Mr. Helfeld indicated that regarding the issue of public discussion: there have been, on many occasions over the past several months, both at this Commission, at public organizations where there was notice - SPUR and others - where the Convention Center design schematics were presented to the public. Also, some two months ago, the Executive Director visited with Ms. Hestor and others, and did indicate the design of the Convention Center, including the fact that there were two lobbies. There has been at least half a dozen public meetings, at which the Convention Center has been discussed, and this Commission has approved partial schematics.

Mr. Nothenberg indicated that he regretted that Ms. Hestor was not furnished the information she needed on the second lobby, but there have been many discussions, including discussions in his office, with some of the people who ordinarily would come into communication with Ms. Hestor about that lobby; the lobby mitigation of pedestrian access on Fourth Street, and a number of things were talked about, so the second lobby was not a surprise to anyone. Also he indicated he was extremely sensitive to the point raised by Ms. Hestor about the possible diminution of resources that the Agency might use in its operation of CB-2 and CB-3, and pointed out that the Lease Document in fact provides a payment to the Agency of \$870,000 a year for 25 years as a rental for the occupancy of CB-2. He believed that that is considerably more than what would have been generated by the garage payments that the Agency might have received from O & Y if, in fact, O & Y had built that garage. So the City is contributing resources, and will make it an economically more viable project, both in terms of its initial construction and its subsequent operation. He did not want anyone to overlook the fact that a significant payment is being made by the City and the Agency for the right to occupy that subsurface space.

Mr. Borregard indicated that for the record, with respect to future actions and in the clear statement from Mr. Helfeld that if there are going to be any significant changes in the crossing over Howard Street, it is going to have to be studied as it is not necessarily known if it needs a full EIR. It certainly will be environmentally reviewed and studied, and whatever is environmentally necessary will be done before any action is taken for anything crossing Howard Street other than the present two pedestrian bridges, if that is required.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND

UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-88 BE ADOPTED.1

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-88 BE ADOPTED.

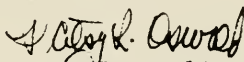
ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 76-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GUSTAVSON, AND
UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-88 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. Gustavson, and unanimously
carried that the meeting be adjourned. The meeting adjourned at 5:15
p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: June 21, 1988

Note: Items (c) through (j) are an edited version of a 19-page
transcript lodged with the Agency Secretary.

SF
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4/5/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF APRIL, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of April, 1988, the place and date duly established for the holding of such a meeting.

The By-Laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Charlotte Berk, Temporary President
H. Jesse Arnelle
Carl D. Gustavson
Leroy King
Melvin D. Lee

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and the following were absent:

Walter S. Newman, President
Haig G. Mardikian, Vice President

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Caesar Young, Melvin Hayes, Franklin Haye, Della and Franklin Chambers; Ben Martinez, Mission Housing Development Corporation; Mark Rysor, Foundation for San Francisco's Architectural Heritage.

Representing the press were: Gerald Adams, San Francisco Examiner; Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Arnelle, seconded by Mr. King and unanimously carried that the minutes of the Regular Meeting of March 8, 1988, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in an Agreement for the sale of 13 parcels on Lindsay Circle and Carpenter Court in Hunters Point.

The Temporary President opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization of an LDA with Chambers Construction General Construction Company in connection with the sale of 13 parcels located on Lindsay Circle and Carpenter Court in Hunters Point. In August 1987 exclusive negotiations were authorized with Chambers to develop Lots 1 through 13 on Site S-4. These negotiations resulted from many years of marketing efforts to provide sites for area residents to develop single family homes. Because of buyers' difficulties in obtaining financing, it was decided to have one "Master Builder" who would build the homes and enter into sales agreements with these parties. Only one of the original participants in this program was able to obtain financing; the remaining individuals were no longer interested or were not able to qualify for a loan with Chambers' lender. Chambers has fulfilled the requirements of exclusive negotiations, and has executed a Memorandum of Option and a Design and Build Agreement with four qualified buyers. The remaining lots will be sold to qualified area residents, with priority being given to Certificate Holders.

Mr. Caesar Young indicated that this item should be held over as he believed there are many other people interested that were not reached because of the Agency's commitment to the original members of the group desiring to develop their own homes. He also indicated that he was interested in developing another lot but that idea had fallen on deaf ears.

Mr. Melvin Hayes and Mr. Franklin Haye, Site S-4 developers, spoke in support of item (a) and urged the Commission to approve this item so they could go forward.

Mr. Helfeld indicated that he was clearly in agreement with Messrs. Hayes and Haye. The Agency has made an extraordinary effort to help individuals develop their own homes, but this did not work out, and this item will provide an opportunity for four of the original families to have their own homes. He indicated that he had spoken to Mr. Young last October about another lot, but had indicated to him that Chambers Construction had become very involved before Mr. Young raised an objection to the group arrangement.

In response to Mr. Lee's inquiries, Mr. James Wilson, Project Director, Hunters Point, indicated that prices of the homes would range from \$135,000 to \$145,000 with the developer having with a 20 percent profit limitation.

The Chambers noted that completion of construction would take about twelve months.

There being no further persons wishing to appear in connection with this matter, the Temporary President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-88 BE ADOPTED.

Mr. Helfeld indicated that because of time constraints, the representative for Mission Housing Development Corporation had requested that item (d) be taken up at this time.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a \$400,000 interim loan for Mission Housing Development Corporation (MHDC) in connection with the development of Maria Alicia Apartments located at 16th and Valencia Streets in San Francisco. MHDC is in the process of constructing 20 one-to-four bedroom residential units with ground floor commercial space. Eight of these units will be available to low-income families with the remaining twelve units at market rate. MHDC has secured financing commitments from a number of sources, including a \$1.225 million construction loan commitment from Wells Fargo and a \$1,377,690 HODAG, however, the Wells Fargo loan will not fund until the HODAG funds. The site work was completed in December and, in order to hold its contractor, MHDC desired to commence construction in April. The developer has sufficient funding to pay for construction through June 1988, but it is anticipated \$100,000 a month will be required to permit construction to continue thereafter to protect MHDC through October, by which time it is expected that the Wells Fargo/HODAG funding will be in place. As with the Bernal Heights loan authorized in December 1987, repayment to the Agency would come from the HODAG and Wells Fargo when their loans are funded and it is anticipated that it will be possible to adjust the Bernal Heights documentation to deal with this interim loan to MHDC. Because eight of the units will be for low-income families, and it also appears the market rate units will have relatively modest rents, assistance to MHDC is consistent with the Agency's ongoing commitment to affordable housing.

Mr. Ben Martinez, MHDC, urged that the Commission approve this item and noted that he was in favor of tax increment, because it would be beneficial to the community in the Mission District.

Mr. Lee inquired how the Agency would be protected. Leo Borregard, Agency General Counsel, indicated that the Agency would be in a first deed of trust position during the period of the interim loan because Wells Fargo will not fund until the HODAG funds. Wells Fargo would not be in a first deed of trust position until it starts to fund the project and at that time the Agency would cease its funding.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to issue a Request for Qualifications to prospective developers and approving advertising expenses of up to \$10,000 in connection with the offering for the purchase and development of a parcel known as East Block 1 located at the northeast corner of Third and Mission Streets in Yerba Buena Center. The major features of the offering are: maximum development of 460,000 square feet on this 32,800 square foot parcel, consisting of commercial office space with ground floor retail or a hotel with ground floor retail; height not to exceed 350 feet with development broken into two masses - a low rise podium and a high rise tower. The tower element to be set back from Mission and Third to avoid creating a "canyon" effect and considering wind and shadow impacts; discussions are being held with interested parties regarding the retention of the Jessie Hotel facade and other parts of the structure and a specific recommendation will be made to the Commission before bids are requested so that developers will be aware of those issues. It has been estimated that the Hotel could be rehabilitated to contain some 45 dwelling units, however, this would require extensive internal expansion. At the present time it is vacant and each of the rooms are 8 x 7. Even if the size of the rooms was increased, it would still be in a location and situation with shadow and not a very appropriate place for single room occupancy living. Whatever would be spent would not result in decent housing and on the other hand it is an impediment to a very valuable site that can produce income in terms of land sales and future tax increment that could provide a resource for low and moderate income housing. It is therefore not considered appropriate to retain and rehabilitate the Jessie Hotel, but rather explore the concerns that have been expressed by historic groups about saving the facade and return to the Commission with a recommendation; the purchase price will be the highest acceptable bid from qualified developers at or above the minimum bid of \$12,500,000; in addition to the purchase price a payment will be required for the Agency's low/moderate income housing fund currently estimated at \$2.6 million to assist in causing the provision of at least 45 units of low/moderate income Single Room Occupancy (SRO) housing in the South of Market; the developer must provide and construct exterior works of fine art of not less than one percent of the total construction cost; the developer will be required to meet City requirements relating to child care and transit impact. Selection will be carried out by the Commission in a four phase process: (a) approval of qualified developers responding to an RFQ, (b) request bids from qualified developers, (c) selection of qualified developer submitting highest bid for exclusive negotiations, (d) approval of schematic drawings and authorization of an LDA.

Mr. Mark Rysor, Foundation for San Francisco's Architectural Heritage, indicated that he could not support this resolution and that the Agency should proceed in a manner consistent with City

policy that supports the Jessie Hotel facade as historic. He also objected that the resolution does not contain language that address his concerns regarding the Jessie Hotel's facade.

Mr. Gustavson suggested that in the criteria for selection, the development of the site include a request that the developer have the capacity and experience to deal with the Jessie Hotel facade in an effective way.

In reply to Mr. Lee's inquiry, Mr. Helfeld noted that the Redevelopment Plan permits hotel or office use but interest seems to be from office builders. He requested the matter be held for one week in order to consider Mr. Rysor's request, a letter to John Elberling of TODCO and Mr. Gustavson's suggestion to change the RFQ to address the Jessie Hotel facade concerns.

RULE OF THE CHAIR: TEMPORARY PRESIDENT BERK INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM (b) WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (c) Mr. Helfeld introduced item (c), which requests approval of a Resolution which finds, after the required hearing, that the public interest and necessity require the acquisition of Parcel 3793-2 located at the south side of Townsend Street between the Embarcadero and Second Street and authorizes condemnation of said parcel in Rincon Point-South Beach. On March 15, 1988, approval was granted to issue a Notice of Intent to Acquire Real Property regarding the subject parcel, which acquisition is necessary so that the parcel can be aggregated with the remainder of the block for future development. Upon approval of this Resolution, the Agency's Condemnation Counsel will initiate a condemnation action against the present owners, Harold and Shirley Groner, who purchased the property in May 1987, but did not proceed to redevelop the site in accordance with the Rincon Point-South Beach Plan. The Groners have recently been negotiating with a private developer who is trying to obtain development rights for the entire site, and have been unwilling to negotiate with the Agency until these prior negotiations are concluded. A successful conclusion of the private negotiations could eliminate the need for Agency acquisition. Since a positive outcome is not assured, Condemnation Counsel recommends that the Agency proceed with its action.

Temporary President Berk asked for public comment, however, no persons came forward.

Robin Donoghue, Agency Senior Attorney, indicated that a copy of the resolution before the Commission had been hand delivered to the owner and tenant of the property and both are aware of the hearing.

Leo Borregard, Agency General Counsel, indicated that the owner and tenant were notified that this meeting would be held at 4:00

p.m. on April 5, 1988. The meeting started at 4:05 p.m. and at 5:05 p.m., the owner, his representative or tenant had not appeared.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. GUSTAVSON THAT RESOLUTION NO. 80-88 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Mr. Gustavson
Mr. King
Mr. Lee
Ms. Berk

AND THE FOLLOWING VOTED "NAY":

None

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED

- (e) Mr. Helfeld introduced item (e), which requests renewal of the Redevelopment Agency's membership in the Community Redevelopment Agencies Association (CRA). CRA is a stateside nonprofit corporation which relies on both public and private sector members to work together in problem solving and improving the redevelopment process in California. CRA represents 80 percent of all redevelopment agencies in California and has over 110 private sector members, including architects, engineers, redevelopment agencies. CRA has been active in the legislative arena where redevelopment and tax increment financing have been under almost constant attack; much of the membership fee is allocated to legislative work, which is most important with the increasing erosion of federal funding sources and finding local legislation supportive of the redevelopment process. The annual membership fee is \$1,600 and funds are available.

Mr. Helfeld referred to legislation proposed by Senator Kopp which would make it impossible to use tax increment funds. He noted that the Mayor's office has been requested in writing to take a position regarding this legislation.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 82-88 BE ADOPTED

- (f) Mr. Helfeld introduced item (f), which requests adoption of a Resolution commemorating National Community Development Week, and the Community Block Grant Program as a valuable tool to serve the needs of the communities and low and moderate income persons. The week of April 2-9, 1988 has been designated National Community Development Week to focus attention across the country on the people and programs benefiting from Community Development Block Grant (CDBG) Program funding. This recognition is to highlight the local activities and programs assisted by the CDBG Program, as well as to demonstrate national support for the program. The

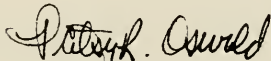
Mayor has issued a proclamation designating Community Development Week in San Francisco, and the Mayor's Office of Community Development is holding a series of events to focus on the services funded through the CDBG Program, which includes housing, economic development, job placement and other worthy programs which benefit the City and relate to the communities the Agency serves.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-88 BE ADOPTED

ADJOURNMENT

It was moved by Mr. King, seconded by Mr Arnelle, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5: 10 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED

May 3, 1988

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF APRIL, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of April, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Melvin D. Lee

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and the following were absent:

H. Jesse Arnelle
Carl D. Gustavson
Leroy King

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The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Mark Rysor, Foundation for San Francisco's Architectural Heritage; John Elberling, TODCO; Larry Greer, A.T.A.P. International.

Representing the press was: Steve Massey, San Francisco Chronicle.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to issue a Request for Qualifications to prospective developers for the parcel known as East Block 1 located on the northeast corner of Third and Mission Streets in Yerba Buena Center and approving advertising expenses of up to \$10,000 in connection with this offering. This item was continued from the meeting of April 5, 1988 to give staff time for additional meetings with Mark Rysor the Executive Director of the Foundation for San Francisco's Architectural Heritage regarding his concerns about the Jessie Hotel. Staff has met with Mr. Rysor and discussed the proposed language to take account of their concerns and Mr. Rysor finds this approach an acceptable solution. Also included is language that suggests one of the areas of qualifications that the Agency is looking for in a developer has to do with experience on their team, someone or several who have experience in successful rehabilitation of architecturally significant structures as a portion of a larger development. The particular language stresses that it is the Agency's objective to retain a significant portion of the Jessie Hotel as part of the development and the Agency is suggesting they submit proposals which preserve the hotel in a manner that is compatible with the design concept of the development of the parcel and

also suggesting an alternate bid be submitted based on a cleared site that gives the Agency an opportunity to see what the differences are, if any. Hopefully, the developers will be able to give us the highest bid price with very little deviation whether the building is saved or not or if a substantial part of the building is saved or not. Also in the language is a requirement that the developer and his design team consult with the Foundation for San Francisco's Architectural Heritage.

Mark Rysor appeared before the Commission and confirmed the Foundation finds the language satisfactory.

Mr. Newman inquired what type of use Mr. Rysor could see for the Jessie Hotel and if the main interest was in just the exterior being preserved. Mr. Rysor indicated that the Foundation was not taking any particular position on its use, though it could conceivably be put to a number of uses, depending upon what the Agency finds most compatible. The Foundation is principally interested in the retention of a greater portion of the structure that leaves some sense of a building as opposed to simply a front wall.

John Elberling, TODCO, indicated he was pleased with the way policy matters are proceeding with this parcel and the Jessie Hotel.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 79-88 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests Consideration of Adopting, as a policy instrument, a letter dated March 11, 1988, from Edward Helfeld, Executive Director, to John Elberling of TODCO, concerning the offering of the parcel known as East Block 1 located at the northeast corner of Third and Mission Streets in Yerba Buena Center.

Upon inquiry from Ms. Berk regarding this policy resolution, Mr. Helfeld summarized the March 11th letter: (1) The Agency is in agreement that there is clearly a need for congregate care senior citizen housing and that the Agency will work with TODCO in securing a site for such a purpose with a minimum of 45 dwelling units as the target. This relates to replacement housing for the vacant Jessie Hotel; (2) It is agreed that at this time no specific site nor a specific funding source be recommended. Also, at the request of Mr. Elberling, it is agreed that a site for this use not be Parcel K in Rincon Point-South Beach; (3) It is agreed that the Housing Trust Fund monies that will come from the East Block 1 site, which is geared to provide additional single room occupancy hotel facilities in the South of Market area, be used. The first priority will be to rehabilitate existing vacant hotels; (4) To keep costs at a minimum, it is recommended that the Agency work with an appropriate non-profit organization to carry this project out; (5) It is recommended that the Agency continue to consult with the appropriate organizations concerned about the historic aspects of the Jessie Hotel.

Mr. Mardikian inquired regarding congregate care housing and Mr. Helfeld indicated that it is half way between housing for independent living and

nursing home care. Mr. Mardikian then inquired whether the single room occupancy housing referred to in item (3) of the March 11 letter is separate from the congregate care housing referred to in item (1) to which Mr. Helfeld replied that they are separate. Mr. Mardikian said it was his understanding that the policy would be to seek a site upon which 45 units of congregate care housing would be constructed and then apply the \$2.5 million towards the rehabilitation of some existing buildings. Mr. Helfeld confirmed that Mr. Mardikian's understanding was correct; one direction concerns congregate care and the other relates to single room occupancy housing in the South of Market area. Mr. Mardikian noted his concern that he found single room occupancy housing to be sub-standard and he felt that money could be spent on housing which would create a better living arrangement. Mr. Helfeld indicated that this type of housing is for those who find it acceptable and affordable and suggested arranging a tour for the Commissioners to see some of the rehabilitated SRO units.

It was agreed that a tour would be arranged for the Commissioners to view several rehabilitated units.

Upon inquiry from Ms. Berk as to whether congregate care includes medical care, John Elberling indicated that it does include medical care but there are a lot of versions.

In response to an inquiry from Mr. Lee regarding other congregate care facilities in the City, Mr. Elberling indicated that ON LOK would be a comparable facility. Mr. Lee inquired if a secured site means the Agency will pay for the site. Mr. Helfeld indicated that this had not yet been defined. In response to an inquiry from Mr. Lee, Mr. Elberling indicated that the Hotel Tax Fund would be available for this site and it is hoped a site can be found at a low cost.

Mr. Newman inquired if the reason shared facilities are being looked at is to produce housing at the lowest possible cost, to which Mr. Helfeld replied affirmatively.

Mr. Mardikian indicated he was prepared to move the March 11, 1988, letter as a policy statement which represents a good faith effort to work towards providing much needed housing. The tour will enable the Commission to see the single room occupancy housing which, although it may not be the most desirable housing, is socially useful and acceptable for people to live in.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT THE COMMISSION ADOPT AS A POLICY STATEMENT THE LETTER DATED MARCH 11, 1988, FROM MR. HELFELD ADDRESSED TO MR. ELBERLING.

- (b) Resolution No. 85-88 requests authorization of a Personal Services Contract for Reuse Appraisal Services with Floyd A. Hibbitts, Inc. for All Redevelopment Project Areas.
- (c) Resolution No. 86-88 requests authorization of a Personal Services Contract for Reuse Appraisal Services with Daniel L. Yee & Associates for All Redevelopment Project Areas.

- (d) Resolution No. 87-88 requests authorization of a Seventh Amendment, which increases the amount payable thereunder and makes certain other changes, to the Personal Services Contract for Reuse Appraisal Services with Marshall and Stevens, Inc. for All Redevelopment Project Areas except Rincon Point-South Beach.
- (e) Resolution No. 88-88 requests authorization of a First Amendment, which increases the amount payable thereunder and makes certain other changes, to the Contract for Personal Services with Real Estate Research Corporation in connection with Rincon Point-South Beach.

Mr. Helfeld requested that items (b), (c), (d) and (e) be held over for one week to the meeting of April 19, 1988.

RULE OF THE CHAIR: President Newman indicated that subject to the objection of any Commissioner items (b), (c), (d) and (e) would be continued for one week at staff request. There being no such objection, it was so ordered.

PERSONS WISHING TO ADDRESS THE MEMBERS ON ON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Mr. Larry Greer, A.T.A.P. International, requested an opportunity to present his grievance as to the selection process for Site DD-2 in Hunters Point. Mr. Greer noted his past experience with the Agency on the subject parcel and requested an opportunity to go forward with his plans for Site D-2 in Hunters Point.

Mr. Newman indicated that this matter would be taken up with staff who would then get back to Mr. Greer with a reply.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 4:40 p.m.

Respectfully submitted,

Patsy R. Oswald
Agency Secretary

APPROVED:

9/88
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF APRIL, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of April 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Carl D. Gustavson
Leroy King
Melvin D. Lee

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and the following were absent:

Haig G. Mardikian (Arrived 4:10 p.m.)
H. Jesse Arnelle
Charlotte Berk (Arrived 4:25 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: James San Jule, Fillmore Center; Dan Yee; Cesar A. Churchwell; John Phillips, Marshall & Stevens, Inc.; Joe Vella, Real Estate Research Corporation; Katherine Nash; Dr. R.A. McCoy, Future Perfect, Inc.; Essie Collins; Tom Barton, San Francisco Jobs Coalition; Deborah Crandell, Kimball Park; Charles Collins, Western Development Group; Ace Washington and Randall Evans, WAPAC; Nicholas Dempsey; Arnold Townsend, Fillmore Center; Reverend Amos Brown, Third Baptist Church; Grandville Jackson and Henry Spencer, NAACP; Lavolia Baker, Community and Business Person; Nathaniel Mason; Harold Wong, WCP I & II; Joe Skiffer; Geraldine Johnson, Coalition of Black Trade Unions; Michael Stanton, Stanton & Associates; Bob Davis, Housing Associates; Roosevelt Carrie, San Francisco Western Addition Insurance Agency; Dwight Kinnard, P & K Trucking; Zettie Le Blanc and Jim Du Pont, Bayview/Hunters Point Job Coalition.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Mr. Gustavson, and unanimously carried that the minutes of the Regular Meeting of March 15, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) A tour has been arranged for the Commissioners on May 3, 1988 at 2:00 p.m. of Single Residence Occupancy Hotels. The Agency meeting of April 26, 1988 will therefore be adjourned to May 3, 1988, 2:00 p.m.
- (b) Access to Housing, Inc., sponsored by Catholic Charities of San Francisco, closed escrow in March. They will be constructing 25 units of housing for low-income elderly and handicapped persons at the northeast corner of Fillmore and Fulton Streets. As you may recall, this Agency contributed \$250,000, in addition to a land write-down price making the Agency's contribution about half a million dollars. An open house to celebrate their completion will be held in about a year.
- (c) The Citizens Advisory Committee for Rincon Point-South Beach have been invited to an orientation and tour of the project on April 27 from 3:00 to 6:00 p.m. to view the development projects which are currently under construction.

Mr. Mardikian arrived at this time, 4:10 p.m.

UNFINISHED BUSINESS

- (a) Requests authorization of a \$10,000 contract with Floyd Hibbits, Inc. in connection with All Redevelopment Project areas.
- (b) Requests authorization of a \$10,000 contract with Daniel L. Yee & Associates in connection with All Redevelopment Project Areas.
- (c) Requests authorization of a Seventh Amendment to the contract with Marshall & Stevens, Inc., which increases the amount by \$14,000 for a total of \$205,000, in connection with All Redevelopment Project Areas.
- (d) Requests authorization of a First Amendment to the contract with Real Estate Research Corporation, which increases the amount by \$22,000 for a total of \$70,600, in connection with Rincon Point-South Beach.

Mr. Helfeld introduced items (a), (b), (c) and (d). An evaluation of the appraisal services in all project areas indicates a need for \$300,000 in such services required by the end of 1989. With a current contract balance of \$213,000, there is a need for an additional \$87,000. In November 1987 action on contracts with Marshall & Stevens, Inc. and Real Estate Research Corporation were postponed pending submission of satisfactory information regarding their affirmative action programs which has now been provided. Also, the Commission set aside \$51,000 to obtain the services of additional MBES/WEBS and it is recommended that \$10,000 each be

allocated to contracts with Floyd Hibbits and Daniel Yee, leaving an undesignated balance of \$31,000.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 86-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 87-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 88-88 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Second Amendment to the contract with Real Estate Research Corporation to cover all project areas, extend the term and conform contract language.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 89-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests Consideration of a Request by Housing Associates, Inc., and partners that they be granted Exclusive Negotiating Rights for Parcel 732, located in the block bounded by Fillmore, Eddy, Webster and Ellis Streets in the Western Addition A-2. Taking into consideration the continuous expressions of interest in this parcel from both within and outside Black development circles and the greatly improved developmental climate in the Western Addition, staff believes that a public offering of the parcel is appropriate and intends to bring criteria for such an offering before the Commission within the next several weeks.

Donald Tishman, President, Housing Associates, Inc., indicated that they had worked closely for a number of years with Bishop Hamilton in putting together a development. He requested that the former Executive Director, Mr. Hamilton, be called as a witness.

Deborah Crandall, Kimball Park, expressed support for Mr. Tishman who has been most cooperative with the community and noted concern about the unsightly Szeto office building and lack of attention paid to complaints.

Charles Collins indicated he believed the Agency should bring Parcel 732 to the public to give others an opportunity.

Ace Washington, WAPAC, indicated he was not for or against this item, but believed there should be an opportunity for other developers to participate. Mr. Newman inquired what WAPAC's

position was and Mr. Washinton indicated he believed the former Director should be here.

Ms. Berk arrived at this time, 4:25 p.m.

Nicholas Dempsey indicated that several minority enterprises have tried to develop this property and this should go to those minority participants.

Arnold Townsend indicated that he had been involved in this parcel since 1981 and had spent time and money in attempting to develop it and now the rules are changed.

Reverend Amos Brown, Third Baptist Church, indicated the Agency should be consistent and stop changing the rules. This development can only be done if it goes to Mr. Tishman.

Grandville Jackson, NAACP, indicated it was wrong if the Commissioners did not vote today and let the development go ahead as planned.

Henry Spencer, NAACP, indicated that he concurred with the Reverend Amos Brown and Mr. Tishman should be allowed to continue with his project.

Lavolia Baker, Community and Business Person, requested the decision be tabled so the community could get involved.

Nathaniel Mason, Affirmative Action Officer, Fillmore Center Project, noted their affirmative action record and indicated this would continue if Mr. Tishman gets the site.

Essie Collins indicated other people should get an opportunity to bid on the property.

Harold Wong, WCP I & II, indicated they wanted the space behind Safeway for parking.

Joe Skiffer noted his support for Mr. Tishman.

Geraldine Johnson, Black Trade Unionists, asked as a matter of policy this matter be tabled so that proposals for developing the parcel could be submitted to the Agency.

Michael Stanton, Stanton & Associates, Architects, indicated his firm had been planning this site with Housing Associates and discussing it with Tom Numainville of that firm for three years.

Bob Davis, Housing Associates, Inc., wanted to remind the Agency of its commitment and hoped they would continue with Mr. Tishman.

Randall Evans, WAPAC, indicated he was concerned that Mr. Tishman was not representing the community and that he needs to meet with

the community and WAPAC. He noted that this item should be continued.

Roosevelt Carrie recommended postponing a decision today and noted there is no black broker participation in the Fillmore Center.

Dwight Kinnard, P & K Trucking, spoke on behalf of Housing Associates.

Mr. Helfeld indicated that there is no question that Housing Associates has done a magnificent job. For a number of years many attempts to get housing going in that area failed and now there are 1100 dwelling units under construction. It should be made clear that the Commission, and not staff, is the decision making body and no commitment can be made as to land or development opportunities unless approved by the Commission. Because the economic climate has changed it seems there is nothing to be lost and perhaps a great deal to be gained by going out for a public offering. It is hoped Housing Associates would also submit a proposal. It is recommended that staff bring criteria for a public offering before the Commission for review within a matter of weeks.

Mr. King noted his concern at the Executive Director's recommendation because it had been his understanding that the project would be completed by Mr. Tishman and indicated he would vote against seeing the project delayed as it is the best deal for the community. He said he was in favor of giving black developers every opportunity but in that regard other sites could be looked at and Mr. Tishman should be allowed to complete the Fillmore Center project.

Mr. Mardikian requested Mr. Helfeld to provide more information in support of going out to bid. He noted testimony had been heard on what could be gained by giving exclusive negotiating rights to the Fillmore Center group and he would like Mr. Helfeld to amplify what could be gained by a competitive bidding process.

Mr. Helfeld indicated he assumed Housing Associates would come forward and by the bid process it could be ascertained if there are other developers who are interested and who could perhaps carry out many of the objectives this Commission has been seeking for some time.

Mr. Mardikian inquired how many other developers were interested and Mr. Helfeld said he would have to check but considerable interest had been expressed by several groups.

Mr. Gustavson inquired how long the process would take and how much it would delay the project. Mr. Helfeld indicated that staff could have criteria before the Commission within a matter of weeks, following which requests for proposals would be sent out and he did not believe it would delay the development.

Mr. Borregard noted that a public appearance by a former Executive Director is prohibited for two years after leaving office. However, the Commission can ask him to appear to clarify and answer questions of the Commission.

Mr. Newman indicated that he felt this item needs further exploration and should be continued for two weeks.

Mr. King inquired if the Commission would invite Wilbur Hamilton to speak.

The Commission directed Mr. Helfeld to invite Mr. Hamilton, on behalf of the Commission, to the meeting of May 3, 1988.

President Newman announced that there would be a brief recess. The meeting recessed at 5:50 p.m. and reconvened at 5:55 p.m. with the same roll call.

- (c) Mr. Helfeld introduced item (c), which requests authorization of Rental Agreements with various subcontractors for Trailer Space and Material Storage on a portion of the parcel located on the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2. This proposal would allow the Executive Director to execute month-to-month rental agreements for construction related activities pertaining to the Fillmore Center Developers and Cathedral Hill Plaza projects. Since commencement of construction of these projects, three such users on this site have been authorized and additional requests are anticipated as activities progress. The tenants would be responsible for utility services, on-site maintenance, the appropriate insurance coverages and termination of the tenancy upon thirty days notice. The rental rate to be charged is \$.15 per square foot, which is comparable to the rate charged to other tenants on the same parcel.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-88 BE ADOPTED.

- (d) Requests authorization of a Permit to Enter with the Planning Association for Divisadero Street for the use of Block 1100, Lot T, located at the northeast corner of Divisadero and Ellis Streets in the Western Addition A-2.

Mr. Helfeld requested that this item be tabled since the Planning Association has found another site on a different date for a community rummage sale.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), RESOLUTION NO. 91-88, WOULD BE TABLED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Fifth Amendatory Agreement to the LDA with WDG-IV Westwood Condominiums for development of Parcels 683-D(1) and 683-D(2)

located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2. The developer was prepared to meet the LDA schedule, however, because of additional testing and investigation of the ground water an extension has been requested for submission of evidence of financing from March 16 to July 13, 1988 and conveyance of the site from April 20 to August 10, 1988. Because of the unavoidable delays caused by the ground water problem and because this development will produce 38 units of housing, it is also recommended that the original disposition price that expired January 1, 1988 be extended to August 10, 1988.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-88 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of an extension of Exclusive Negotiations from April 27, 1988 to August 24, 1988 with Richard E. Romine in conjunction with a Build-to-Suit Agreement with the Western Addition Senior Citizens' Center, Inc. for the development of Parcels 779-B and 779-C, located on Fulton Street between Fillmore and Steiner Streets in the Western Addition A-2. Since authorization of exclusive negotiations in February 1987, progress has been made on the 90 unit condominium project and the senior citizens' facility and Basic Concept Drawings have been submitted. However, these drawings are not satisfactory to staff and further discussions are being held with the developer to accomplish a mutually compatible design concept. In addition, the Western Addition Senior Citizens' Center needs time to negotiate extensions relating to City and State grants needed to assist in construction costs.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 93-88 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization to expend \$2,500 for newspaper advertising on the availability of commercial space in the Fillmore Center in the Western Addition A-1 and A-2. The LDA's with Western Commercial Partnership I and II and Fillmore Center Developers requires them to give qualified Business Certificate Holders priority and requires the Agency to notify such certificate holders of the available lease or rental opportunities for commercial retail or office space. A \$100,000 UDAG grant enabled the Agency to enter into a contract with Urban Economic Development Corporation (UEDC) who offers services to local business and certificate holders to re-establish themselves in the new Fillmore Commercial space. Staff believes that general circulation newspaper advertisements are essential to properly notify Business Certificate Holders and others in the community that UEDC offers the following services: package business loans for bank submittal; determine business feasibility; prepare business loans; conduct market research; and plan marketing strategy.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 94-88 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Sixth Amendment to the Agreement with McCutchen, Doyle, Brown & Enersen, which increases the maximum amount payable by \$100,000 for a total contract of \$425,000, in connection with All Redevelopment Project Areas. The McCutchen firm has performed outstanding services for the Agency since 1979. Recently, the firm has been rendering advice in connection with underground tank/toxic waste issues in the Western Addition A-2 and claims related to the South Beach Harbor which involve a \$7.6 million claim by Riedel International and a smaller claim filed by Valentine Corporation. McCutchen has retained two engineering firms to assist in the claims analysis. Billings for these experts are paid under the Agreement which represent 70 percent of recent payments under this contract. For the most part, the increase will reimburse the McCutchen firm for payments made to the engineering firms.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-88 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization for the Executive Director, to attend a Symposium sponsored by the Lusk Center for Real Estate Development, April 28-29, 1988 in Palm Desert, California, and also to attend the New York University's Waterfront Conference in New York City, May 12-13, 1988. There will be no cost to the Agency for this travel.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE TRAVEL REQUEST FOR THE EXECUTIVE DIRECTOR BE APPROVED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Zettie Le Blanc, Jim Du Pont, Bayview/Hunters Point Job Coalition and Tom Barton, San Francisco Jobs Coalition, noted their concern about the Bayview Plaza and making sure the developer has the tenant comply with the contracts hiring language priorities in the lease agreements and that the Agency shall enforce that language.

Mr. Helfeld indicated that he would report on this item within a week.

In response to an inquiry from Mr. Lee, Gene Suttle, Deputy Executive Director, Community Services and Administration, indicated that the Bayview Plaza project is 55 to 60 percent complete. He further noted that the site was being looked at about three times a week in terms of affirmative action monitoring. With regard to the LDA language, staff has been meeting with the developer, the new leasing agent as well as the New Bayview Committee and other groups that are interested in the same issue. The language will be enforced and the matter of keeping

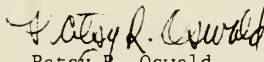
communication with the neighborhood is being attended to by the Project Director, Mr. James Wilson.

- (b) Randall Evans and Ace Washington, WAPAC, indicated they want to be recognized and requested help from the Agency in getting their non-profit status and that the Agency work with WAPAC.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Gustavson, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: June 14, 1988

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26/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF APRIL, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of April, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Carl D. Gustavson
Leroy King

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and the following were absent:

H. Jesse Arnette
Melvin D. Lee (Arrived 4:25 p.m.)

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Herman and Irene Yarbrough and Keith Collins

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of a Closed Session of April 5, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the minutes of a Closed Session of April 12, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Redmond F. Kernan Acting Executive Director reported to the Commissioners on the following matters:

- (a) Four years ago the Agency through a grant from the California Conservation Corp and youth from the neighborhood planted both sides of Van Ness Avenue between McAllister and Bush Street with London Plane Trees. This was the first greening of Van Ness Avenue including the medians. On April 23, Friends of the Urban Forest and 150 volunteers, including various Supervisors and Gene Suttle, Deputy Executive Director, Community Services and Administration, gathered to complete the planting of the entire Avenue from Market to McAllister and Bush to the Bay with approximately 110 trees. The early planting of Van Ness Avenue

was acknowledged in the opening ceremonies by Agency staff member William Carney who is also President of Friends of the Urban Forest.

- (b) On April 27 from 3:00 to 6:00 p.m. there will be an orientation and tour of Rincon Point-South Beach for the Citizens Advisory Committee. The Commissioners are invited to all or parts of the tour which may be of interest.

NEW BUSINESS

- (a) Mr. Kernan introduced item (a), which requests authorization of a Fourth Amendatory Agreement, which extends the completion date from April 4 to June 6, 1988, to the LDA with Rody B. Leano for 906 Steiner Street in the Western Addition A-2. Although the rehabilitation of this two unit Victorian has commenced, the developer has requested additional time to complete the work. Staff has met with the developer, his architect and contractor and believe the request for the extension to be appropriate.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-88 BE ADOPTED.

- (b) Mr. Kernan introduced item (b), which requests authorization of a Fourth Amendatory Agreement, which extends the completion date from March 3 to September 3, 1988, to the LDA with Herman and Irene Yarbrough and Lillie M. Collins for 1401 Gough Street in the Western Addition A-2. An LDA, authorized in July 1984, for the rehabilitation of a Victorian building as six condominium units requires completion within one year of conveyance which occurred on March 7, 1987. Because of certain changes that were made during the course of construction, additional funds are required to finish the work which is now 75 percent complete. The developer has requested funds from their lender, however, final approval is conditioned upon the Agency's approval of the requested extension.

Gene Suttle, Deputy Executive Director, Community Services and Administration, introduced Herman and Irene Yarbrough and Keith Collins, the developers.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-88 BE ADOPTED.

- (c) Mr. Kernan indicated that a site tour would be held on May 3 to view Single Room Occupancy Hotels at 585 Geary Street and 480 Ellis Street. This item will therefore be continued to May 3, 1988, at 2:00 p.m. at 939 Ellis Street, Fourth Floor Conference Room and at said time and place will be moved to 585 Geary Street to view and tour that building; after which the site tour will be moved to 480 Ellis Street to view and tour that building.

Regular Meeting, April 26, 1988

President Newman announced that, at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(b)(1).

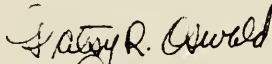
ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Gustavson, and unanimously carried that the meeting be adjourned to a Closed Session on Litigation. The meeting adjourned at 4:15 p.m.

RECONVENED

At this time the meeting convened to a regular session, 2:00 p.m. May 3, 1987, at 939 Ellis Street. Due to lack of a quorum the meeting adjourned at 2:05 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED: June 14, 1988

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5/3/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF MAY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of May, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
H. Jesse Arnelle
Charlotte Berk
Leroy King
Melvin D. Lee

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and the following was absent:

Carl D. Gustavson (arrived 4:07 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Wilbur W. Hamilton; Donald Tishman, Bob Davis, Morris Phillips, Tom Numainville, Housing Associates, Inc.; Nolan Frank; Dr. R.A. McCoy, Future Perfect, Inc.; Charles Amerson, Tenderloin Committee Outreach Network; Merritt J. Shomar, Robert M. Wong, Asian, Inc.; Derf Bather, Ace Washington, Randall Evans, Larry Ukali Johnson, WAPAC; Geraldine Johnson, Debra Edgerly, Mary Helen Rogers, Michael Harris, L. Jamie Jamerson, Essie Collins; Charles Collins, WDG-IV; Katherine Nash, Timothy E. Dupre, Chuck Turner, Douglas Jenkins, John McCartney, Lavolia Baker, John H. Yearman; Reverend Amos Brown, Third Baptist Church; Walt Johnson, San Francisco Labor Council; Michael Stanton, Stanton & Associates, Architects; Arnold Townsend, Nat Mason, Dillingham Construction; Dwight Kinnard, P & K Trucking; Joseph Skiffer.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress; Steve Massey, San Francisco Chronicle; Gary Reynolds, Sun Reporter; and Muhammad Al-Kareem, New Bayview Newspaper.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of March 22, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of April 5, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Closed Session of April 26, 1988, as distributed by mail to the Commissioners, be approved.

Mr. Gustavson arrived at this time, 4:07 p.m.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) On April 27th, the new and expanded Citizens Advisory Group for Rincon Point-South Beach had a tour of the project and sites now under construction. The Rincon Center housing will be open in a year, but the commercial portion in the rehabbed Rincon Annex is almost completed.
- (b) On April 29, the Request for Qualifications for Professional Consultants for the Fisherman's Wharf Survey Area was sent out and is due back on May 13. The Commissioners will be receiving an informational memorandum on May 6 regarding this.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests consideration of a request by Housing Associates, Inc. and its partners that they be granted Exclusive Negotiating Rights for the development of parcel 732 located in the block bounded by Fillmore, Eddy, Webster and Ellis Streets in the Western Addition A-2. This item was continued from the meeting of April 19 when it was agreed by the Commissioners that Mr. Hamilton be invited to attend the meeting today. A Fillmore Center Chronology and a list of persons who have recently expressed an interest in developing Parcel 732 has been provided to the Commission.

Mr. Newman expressed appreciation to Mr. Hamilton, on behalf of the Commission, for taking the time to attend the meeting and provide background material.

Wilbur Hamilton indicated that he was appearing at the request of the Commission and represented no one. He noted the discussions held and history of Parcel 732 during the time he was the Executive Director of the Agency.

The following persons spoke in support of a public offering for Parcel 732: Geraldine Johnson, Mary Helen Rogers, Michael Harris, L. Jamie Jamerson, Essie Collins, Charles Collins, Katherine Nash, Ace Washinton, Randall Evans, Timothy E. Dupre, Chuck Turner, Douglas Jenkins, Larry Ukali Johnson, John McCartney and Lavolia Baker.

The following persons spoke in support of Exclusive Negotiation Rights for Parcel 732 being granted to Housing Associates, Inc.: John H. Yearman, Reverend Amos Brown, Walt Johnson, Michael

Stanton, Tom Numainville, Arnold Townsend, Nat Mason, Dwight Kinnard, Joseph Skiffer and Bob Davis.

Nolan Frank indicated he had been totally excluded from the project and asked why. Mr. Kernan indicated that there had been an LDA with Mr. Frank and he would look into the matter.

Mr. Helfeld indicated that he had listened carefully to all the speakers and read all the correspondence and it is still his recommendation to seek proposals from the community at large and return to the Commission in a matter of weeks with a Request for Qualifications, followed by an open bid process.

Mr. King indicated that there had been many opportunities for black developers who had been given many extensions in order for their developments to go forward. He believed that Mr. Tishman should complete this project and that black developers could look to other sites such as South Beach and Yerba Buena Center. If this parcel goes out to bid it will be nine to eighteen months before it gets underway.

Ms. Berk indicated she was not in agreement with Mr. King on this, and after hearing the speakers today she believed a public offering of the parcel to be appropriate to give the community an opportunity. Ms. Berk referred to a letter from Supervisor Kennedy, who also supports the public bid process, and inquired how long it would take if the parcel was put out to bid. Mr. Helfeld indicated it would take 90-120 days for advertising and the selection of a developer for exclusive negotiations.

Mr. Arnelle indicated that he felt the parcel should be put out to public bid, since a competitive bidding process would provide other developers with an opportunity.

Mr. King indicated he believed the public offering process was a mistake and it would take longer than estimated by staff.

Mr. Mardikian indicated he believed Housing Associates should be given exclusive negotiation rights for this parcel with the understanding that if they come forward with a proposal that is not acceptable then the Commission reserves the right to terminate the exclusives.

Ms. Berk inquired of Mr. Mardikian what was the basis of his decision when other developers had not yet been given an opportunity to come forward with proposals. She suggested that Housing Associates would be a favored group in the event the parcel was publicly offered. Mr. Mardikian indicated that, although he agreed with Ms. Berk's view point, the history of Mr. Tishman's involvement creates a different situation.

Mr. Gustavson noted this should be a business decision, not a racial issue and he would vote in favor of an open bid process.

Mr. Newman indicated he was interested in seeing the best development for the Western Addition. Mr. Tishman could well be the final choice, but a public offering best serves the interests of the community.

MOTION: IT WAS MOVED BY MR. ARNELLE AND SECONDED BY MS. BERK THAT A REQUEST BY HOUSING ASSOCIATES, INC. AND PARTNERS THAT THEY BE GRANTED EXCLUSIVE NEGOTIATING RIGHTS FOR PARCEL 732 IN THE WESTERN ADDITION A-2 BE DENIED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Arnelle
Ms. Berk
Mr. Gustavson
Mr. Lee
Mr. Newman

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Mardikian

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

President Newman indicated there would be a brief recess. The meeting recessed at 6:10 p.m. and reconvened at 6:15 p.m.

NEW BUSINESS

- (a) Mr. Gene Suttle, Deputy Executive Director, Community Services and Administration, introduced item (a), which requests approval to establish Goals of 15% and 3% and Set-Asides of 10% and 2% for 1988 Contract Awards to Minority-owned Business Enterprises (MBE) and Woman-owned Business Enterprises (WBE) respectively. A City Ordinance requires City Departments to establish set asides of 10 percent for MBEs and 2 percent for WBEs. It allows each department to establish its own goals but the ultimate target is 30 percent for MBEs and 10 percent for WBEs. The Agency has voluntarily complied with the Ordinance which program is separate and distinct from the Agency's policy of using MBE/WBE subcontractor goals in design and construction contracts. These subcontractor goals are consistent with similar goals established by the Human Rights Commission for City contracts. Following a review of the Agency's 1988 budget, funds of \$3,720,812 are available for discretionary contract awards and staff considers the recommended goals for prime contract awards of 15% for MBE and 3% for WBE to be a reasonable target.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 98-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests execution of a Subordination and Consent Agreement permitting secondary financing in connection with the Agency's Housing Mortgage Revenue Bonds, 1983 Series A, for St. Francis Place in Yerba Buena Center.

- (c) Mr. Helfeld introduced item (c), which requests execution of an Amendment to Indenture permitting a substitute letter of credit in connection with the Agency's housing Mortgage Revenue Bonds, 1983 Series A, for St. Francis Place in Yerba Buena Center.

In October 1983, the Agency issued its Bonds in the principal amount of \$40 million to provide construction and permanent financing for St. Francis Place, a 410 unit rental project. Additional security for the Bonds is provided by a letter of credit issued by Wells Fargo Bank (Bank) and the Indenture does not permit a different financial institution with a comparable credit rating to be substituted for the Bank as the letter of credit provider. Since the developer now desires such a substitution, it will be necessary to amend the Indenture to add provisions and standards for a substitute letter of credit. The amendment will require consent of the owners of at least two thirds of the principal amount of the outstanding Bonds and the resolution therefore expressly provides that its effectiveness is conditioned upon such Bondholder consent. The developer also desires to obtain secondary financing on the project which requires consent by the beneficiaries, namely, the Agency and the Bank. The Bank has consented to a second mortgage pursuant to the terms of a Subordination and Consent Agreement. This Agreement also protects the Agency and the Bondholders by ensuring the priority of the loan of bond proceeds. Because the Agency's lien continues to retain its priority and the Bonds remain secured by the letter of credit, consent to this secondary financing will not have any adverse effect on the Bonds or on the Agency.

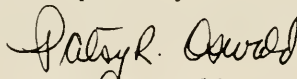
ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-88 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 6:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: June 28, 1988

NOTE: Item (a) is an edited version and a tape of the full discussion is on file with the Agency Secretary.

SF
R35
#4
5/10/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF MAY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of May 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Leroy King
Melvin D. Lee

DOCUMENTS DEPT.

JUL 22 1988

and the following were absent:

H. Jesse Arnelle
Carl D. Gustavson

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were: Prospero Asen-Loo and Justina Lee, M & L/India Basin, Inc.; Bernard Slomovitz, Mendell Terrace Group; Randall Evans, WAPAC; David Novogradsky, Local 21; Katherine Haymes, Local 790; Michelle Brewer, Brobeck, Phleger & Harrison.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Helfeld is detained at the Mayor's Office and may join the meeting later.
- (b) Ben Hattem, the Agency's Affirmative Action Officer, has been selected to receive an award from the Small Business Exchange in recognition of his outstanding contributions to the development of minority/women businesses.
- (c) For the second time in ten years, the Agency has two women working as Acting Assistants for Affirmative Action on construction contracts.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the sale of ten parcels located on Mendell Street between Innes Avenue and Kirkwood Court; Hunters Point.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Kernan introduced item (a), which requests authorization of an LDA with Mendell Terrace Group, Inc. for the development of Lots 74, 75, 76, 77, 78, 79, 80, 81, 82 and 83 on Parcels Z-1 through Z-7, located on Mendell Street between Innes Avenue and Kirkwood Court in Hunters Point. The homes will have three bedrooms/2 baths selling for approximately \$135,000 - \$140,000. Occupancy priority will be granted first to qualified Certificate of Preference Holders of the Hunters Point area and other redevelopment areas thereafter. The developer is also limited to a 20 percent profit in the sales of the homes. The LDA performance schedule calls for submission of evidence of financing by October 19, 1988 and conveyance of the site by December 14, 1988.

In response to an inquiry from Randall Evans, WAPAC, Mr. Kernan indicated that the land will be sold and the benefits to the community would be construction jobs and the homes themselves.

Mr. Evans noted his concern regarding certificate of preference holders and requested their names and addresses.

Gene Suttle, Deputy Executive Director, Community Services and Administration, indicated that it has never been the policy of the Agency to release the certificate of preference holders' names and addresses for residential properties. In the past, the Agency has cooperated with various groups by sending material out to certificate holders that has been supplied by those groups.

Mr. Newman indicated that the Agency does advise every certificate holder when there is housing available. However, this policy will be reviewed.

Bernard Slomovitz, representing the Mendell Terrace Group, appeared before the Commission and requested approval of item (a).

There being no further persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-88 BE ADOPTED.

- (b) Mr. Kernan introduced item (b), which requests authorization to extend the Conveyance Date from May 4, 1988 to June 1, 1988, to the LDA with M & L/India Basin, Inc. for the parcel located on the south side of Evans Avenue between Mendell and Keith Streets in the India Basin Industrial Park. This extension is being requested to provide additional time for the developer's contractors to submit a satisfactory affirmative action program

and to submit financing documents to escrow. This is the last parcel in the India Basin to be conveyed.

ADOPTION: IT WAS MOVED BY MR LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 102-88 BE ADOPTED.

- (c) Mr. Kernan introduced item (c), which requests authorization of a Security Patrol/Harbor Attendant Services Contract with Cal State Patrol Service, Inc. for the South Beach Harbor in Rincon Point-South Beach in an amount not to exceed \$66,000. The Executive Director would have the option of extending the term for one year for an amount not to exceed \$69,000, which would provide for a cost of living increase. After a request for qualifications of a number of interested firms and interviews, a contract was negotiated with Cal State Patrol Services, Inc., a black owned business, as the firm that met the Agency's criteria and as a minority business enterprise would help meet the Agency's MBE/WBE goals. Staff believes that Cal State management has a thorough understanding of the unique aspects of the services to be provided at the Harbor and is committed to providing the quality of service desired.

Mr. Kernan noted an error in the memorandum sent to the Commission and that the hourly contract rate should read \$14.04 and \$15.33 instead of \$13.43 and \$14.67.

Willie Williams, Member of the Executive Board, Local 790, expressed appreciation to the Commission and said he hoped in the future that Management and the Union will work together to resolve problems with regard to bargaining unit positions.

Katherine Haymes, Local 790, also thanked the Commission and indicated that the Union is satisfied with the results of these negotiations.

Mr. King inquired why the firm presently performing the services had not been selected.

Gene Suttle, Deputy Executive Director, Community Services and Administration, said the interview team had ended up interviewing two minority firms. The opinion of the interview team was that Cal State will give more effective protection and they have better communications and a capacity to back-up. They have other contracts in the Harbor and so are familiar with the operations and it was felt they would provide the best service.

Upon inquiry from Mr. Newman as to why Agency staff is not used, Mr. Kernan indicated that staff provides the day time security and the service is mainly for off hours to cover the seven day, around the clock, operation of the Harbor.

ADOPTION: IT WAS MOVED BY MR KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-88 BE ADOPTED.

- (d) Mr. Kernan introduced item (d), which requests approval of an application to the State Department of Parks and Recreation for funds in the amount of \$250,000 for South Beach Park in Rincon Point-South Beach. \$250,000 of State money was recently approved as part of the 1988 State Budget for the South Beach Park and to obtain the funds a formal application must be made to the State Department of Parks and Recreation. The money will be used to design and construct park improvements for a small portion of a larger park facing on the realigned King Street. The Agency must sign a contract with the State by June 30, 1988 and work must commence by June 30, 1990. Eighty percent of the funds become available when the Agency awards a contract for the work. The State has been advised that the Park will ultimately be transferred to the Port and has no objection, provided that the recreational use is maintained.

ADOPTION: IT WAS MOVED BY MR LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 104-88 BE ADOPTED.

Mr. Helfeld arrived at this time, 4:25 p.m.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a First Amendment, which expands the scope of services and increases the amount payable to the Agreement for Professional Services with Archeo-Tec Consulting Archaeologists for archaeological monitoring services in Rincon Point-South Beach.

Mr. King indicated that he considered the affirmative action program to be unsatisfactory.

Mr. Helfeld suggested that this item be continued for one week.

RULE OF THE CHAIR: PRESIDENT NEUMAN INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (e), RESOLUTION NO. 105-88, WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO OBJECTION IT WAS SO ORDERED.

- (f) Mr. Helfeld introduced item (f), which requests authorization for boats participating in the Port of San Francisco Hosted Whaleboat Race, May 6 through May 21, 1988, at South Beach Harbor in Rincon Point-South Beach. The Harbor Master indicated that the boats can be berthed in spaces in the Harbor not designated for permanent berthing and therefore there will be little impact on the ability to meet the demand for permanent, revenue berth space in the Harbor. It is an opportunity for the Agency to again contribute to the spirit of this annual event and the media coverage for the event is likely to generate good exposure for the Harbor and enhance marketing efforts.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-88 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of an expenditure of \$4,600 for repairs to two elevators at the Williams Building located at 693 Mission Street in Yerba Buena Center. Following an inspection by the Safety Engineer for the Division of Occupational Safety and Health in March 1988, orders were issued for repairs of the elevators to regulate the operation during or after an earthquake. Pacific Elevators, who have serviced and maintained the elevators at this Agency-owned building since 1961, advises that these repairs are a prerequisite for continued use of the elevators and this has been confirmed through the Safety Engineer. Currently there are thirteen tenants occupying the structure. This building is to be rehabilitated as part of the East Block 2 development which is expected to occur before 1992. However, it is believed to be in the best interests of the Agency to keep it in a safe manner and occupied until development of the parcel and renovation of the building is ready to commence.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 107-88 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a Third Amendment, which increases the amount payable by \$75,000, to the Legal Services Agreement with Brobeck, Phleger & Harrison in connection with Yerba Buena Center. Since November 1986 this firm has been drafting and negotiating various amendments to the YBG DDA and recently work has related to various documents related to the Moscone Convention Center expansion. The amendment will increase the total contract amount to \$425,000, however, with already received and anticipated reimbursements from the City in connection with the Moscone Convention Center, the total contract amount should be approximately \$200,000.

Ms. Michelle Brewer, Associate, Brobeck, Phleger & Harrison, described the firm's affirmative action program and efforts made to improve since the last amendment to the contract in December 1987.

Mr. King requested the matter be held over until Mr. Arnelle could be present.

Leo Borregard, Agency General Counsel, noted there is currently a shortfall of funds and was concerned about the firm being paid for services already rendered. He suggested that Mr. Arnelle be provided with a tape recording of Ms. Brewer's presentation.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM (h), RESOLUTION NO. 108-88, BE CONTINUED TO MAY 24, 1988, AND PAYMENT BE GUARANTEED FOR SERVICES TO DATE. THERE BEING NO OBJECTION IT WAS SO ORDERED.

- (i) Mr. Helfeld introduced item (i), which requests approval of a Renegotiated Memorandum of Agreement with the International Federation of Professional and Technical Engineers, Local 21. During negotiations a number of issues were addressed and agreement has been reached between staff and union representatives. The new Agreement has been ratified by the union membership and it is proposed for adoption effective May 11, 1988 through December 31, 1989. The negotiations were conducted in a very positive manner and a wide range of issues were addressed and resolved.

David Novogrodsky, Local 21, indicated that the Union is pleased that agreement has been reached.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 109-88 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization to amend Salary Resolution No. 165-87 to add the Classifications of Project Coordinator and Senior Programmer Analyst. The classification of Project Coordinator will have responsibility for the coordination and scheduling of all professional activities leading up to the implementation of the Fisherman's Wharf Redevelopment Project Area for which program the Agency has been designated the coordinating organization. The Fisherman's Wharf Improvement Program Management Group includes many different organizations, the involvement of which in the initial stages is far greater than any other redevelopment project with which the Agency is involved. The classification of Senior Programmer Analyst will have responsibility, under the direction of the Data Processing Manager, for analyzing data processing needs and programming and implementing the software necessary to carry them out. This classification is necessary for the Agency to fully utilize its data processing system. The International Federation of Professional and Technical Engineers, Local 21, has requested the opportunity to meet and confer regarding the inclusion of the classification in the bargaining unit. If agreement is reached on this issue an amendment to the Local Memorandum of Agreement will follow. Funds are available for the two positions through salary savings from unfilled positions included in the 1988 budget.

Randall Evans, WAPAC, noted his concern about the selection process and believed that the community should be involved.

James Nybakken, Administrative Services Officer, indicated that the position for the Analyst would be advertised in the major newspapers and newspapers that will reach minority persons. The posting is also sent to community organizations.

Mr. Newman indicated it is not necessary to meet with the community on this and that the positions can be applied for by any interested persons.

Minutes of a Regular Meeting, May 10, 1988

Mr. Helfeld requested Mr. Nybakken to send announcements of any positions that become available to WAPAC.

Mr. King noted his concern because of the budget and he felt it is wrong to be hiring when the City is laying off staff and freezing wages.

Mr. Helfeld said an Analyst is needed to utilize the existing equipment properly. With respect to the Project Coordinator, this would be a promotion for someone within the Agency whose present position would not be filled until the budget is reviewed to see if sufficient funds are available.

Mr. Lee inquired when the budget would be reviewed and Mr. Helfeld indicated the analysis by the Mayor's Office has been postponed until the Board of Supervisors deals with the whole City budget in July and then the Agency's budget request would be reviewed in mid-July.

Mr. Helfeld indicated that he would check to see if the filling of these two positions could wait until the budget is approved and would report back to the Commission.

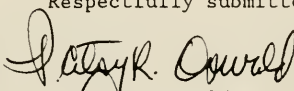
RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM (j) WOULD BE TABLED. THERE BEING NO OBJECTION IT WAS SO ORDERED.

Mr. Newman extended congratulations to Ben Hattem upon the award he has been selected to receive from the Small Business Exchange in recognition of his outstanding contribution to the development of minority/women businesses.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:10 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: June 28, 1988

K35
#4
5/17/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF MAY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of May, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Carl D. Gustavson
Leroy King
Melvin D. Lee

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JUL 22 1988

and the following was absent:

H. Jesse Arnelle

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The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Yvette McCoy, Dr. Jamie Lockett and Sungjung Chough, Progress Seven; Ace Washington and Randall Evans, WAPAC; Dr. Allen G. Pastron and Janice Pastron, Archeo-Tec.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Edward Helfeld, reported to the Commissioners on the following matter:

- (a) The San Francisco Housing Authority will be celebrating their 50th year of service on May 26 and at 1 p.m., as part of the special events that day, they will have the dedication of the New Joan San Jule Apartments at 1357-1371 Eddy Street. This eight unit Victorian was rehabilitated as part of a Settlement Agreement between HUD, the Agency and Mary Rogers et al. The Housing Authority will own and manage the units and A-2 Certificate Holders have been given occupancy priority.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendment to the Agreement with Archeo-Tec Consulting Archaeologists for archaeological monitoring services in Rincon Point-South Beach. This item was continued from the meeting of May 10, 1988, in order to obtain additional information regarding the firm's affirmative action program.

Dr. Allen Pastron reported on the firm's affirmative action program and noted there is a regrettable lack of black archaeologists. He also reported on their commitments to hiring more minorities.

Mr. King indicated that he was now satisfied with the firm's affirmative action program.

Mr. Helfeld indicated that he would like to correct figures given previously to the Commission when it was indicated that \$165,000 would all be assumed by the developer. The amount to be assumed by the developer would be \$139,500 and the Agency would pay \$25,500.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 105-88 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approving the goals, authorizing issuance of Request for Proposals (RFP) and approving advertising expenses for the development of Parcel 732, located in the block bounded by Fillmore, Eddy, Webster and Ellis Streets in the Western Addition A-2. Staff recommends that this matter be continued to the meeting of May 24, 1988.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM (a) WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO OBJECTION IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of Exclusive Negotiations, until September 21, 1988, with Progress Seven for the development of Parcel EE-1 located on Whitney Young Circle at Newcomb Avenue in Hunters Point. Following issuance of a Request for Proposals in December 1987, Progress Seven was the only developer to submit a proposal for Parcel EE-1, one of five parcels offered. The proposal has been presented to the New Bayview Committee who concur with staff's architectural concerns regarding the basic concept drawings and density. During the exclusive negotiations period the developer will address the concerns; submit a feasibility analysis for the project based on a density of fifteen units and submit evidence of equity financing.

Mr. Helfeld introduced Yvette McCoy and Dr. Jamie Lockett, Progress Seven.

Dr. Lockett appeared before the Commission and requested approval of item (b).

Ms. Berk noted that Progress Seven is a team of women developers.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS

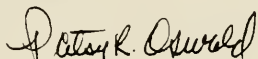
- (a) Ace Washinton, WAPAC, requested: approval to use the bottom floor of the old WAPAC office for Juneteenth Festival activities; recognition of WAPAC as Project Area Committee; and funds and/or technical assistance for WAPAC.

Mr. Newman requested staff to look into these matters and report back to the Commission.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:40 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

July 5, 1988

SF
R35

#4

5/24/88

DOCUMENTS DEPT.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF MAY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of May, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
H. Jesse Arnelle
Charlotte Berk
Carl D. Gustavson
Leroy King
Melvin D. Lee

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ace Washington, Randall Evans and John McCartney, WAPAC; Astrid Lacitis, Keynote Properties; Sue Hestor; L. James Jamerson; Tom Numainville, Michael Stanton and Bob Davis, Housing Associates; Dick Grosboll, Proposition M Steering Committee; Arnold Townsend; John H. Yerman; Grandville Jackson, NAACP; Joseph Skiffer; Geraldine Johnson, Coalition of Black Trade Unionists; Faheem Hameed, Urban Economic Development Corporation; Essie Collins; Reverend Amos Brown, Third Baptist Church; Nat Mason, Tishman; Charles Collins, Western Development Group; Calvin Welch, Council of Community Housing (CCHO); Katherine Nash; Harold B. Brooks, Andreas Steel Services; Stephen Finn and Michelle Brewer, Brobeck, Phleger & Harrison.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Arnelle, and unanimously carried that the minutes of the Regular Meeting of April 12, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Edward Helfeld, reported to the Commissioners on the following matter:

- (a) The San Francisco Housing Authority will be celebrating their 50th year on May 26 and at 1:00 p.m. they will dedicate the New Joan San Jule Apartments at 1357-71 Eddy Street.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of goals, authorization of the Issuance of a Request for Qualifications (RFP) and Approving Advertising Expenses in an amount not to exceed \$6,000 for the development of Parcel 732, located in the block bounded by Fillmore, Eddy, Webster and Ellis Streets in the Western Addition A-2. This is the last remaining parcel to be developed within the Fillmore Center area of the Western Addition. The recommended maximum development for this parcel is approximately 220 units of housing and approximately 30,000 square feet of neighborhood commercial. The goals will require the developer to demonstrate the financial capacity to develop a complex project with high design quality, and with appropriate design relationships to adjacent developments; the Agency would be particularly receptive to a development entity in which there is significant development equity and development direction in the hands of minority participants; 30% minority and 10% Women-owned Business Enterprise (M/WBE) participation in professional and technical services and 15%/WBE in construction activities; 20% of the housing units should be for persons or families with income no Higher than 80% of median income; the First Phase of the Community Center is provided for under an LDA with Fillmore Center Associates and the developer entity will need to complete the Second Phase of the facility; in addition to meeting the parking requirements for the proposed development, the developer entity must provide 80 permanent parking spaces for Western Commercial Partnership II for non-retail commercial space tenants in accordance with an agreement between the Agency and WCP II. After the developer is selected and during exclusive negotiations, a community benefit package will be negotiated which may include, but is not limited to, funding for the Urban Economic Development Corporation, which is the community development corporation, to assist in establishing a black entrepreneurial presence and business support service for Parcel 732; funding mechanism for community services and community development activities, such as creation of permanent employment opportunities and training for residents; loan guarantees and support services for M/WBE lessees; financial pool to provide risk capital for M/WBE lessess; and entry opportunity programs and preferential lease terms for minority retail businesses. The disposition price will be determined by utilizing independent appraisals during the period of exclusive negotiations.

Mr. Newman read the following letter from the Mayor into the record: "I am writing to ask you and the Commission to consider a modification to the request for proposals (RFP) for Parcel 732 in the Western Addition. Today the Commission is scheduled to consider the proposed RFP, which I understand contains language which would give preference to a minority development team, provided the team can meet the other stated criteria. While I fully support this approach, I urge you to consider making this language more explicit by giving preference to a team in which at least 51% of the equity partners are Black. This would help

fulfill a long-standing objective and commitment of the Agency in the Western Addition, and would acknowledge the historical displacement of economic presence of Black businesses and enterprises. With this modification, I am satisfied that the RFP for parcel 732 will provide for a fair and open process, an attention to quality and financial feasibility, and an acknowledgement of the Agency's long-standing goal of minority business enterprise. Thank you for your consideration. Sincerely, Art Agnos."

The following persons spoke regarding the RFP for Block 732 and the major concerns expressed were to modify the goals to include 51% Black equity participation and to increase the square footage of the commercial space beyond the recommended 30,000:

Astrid Lacitis, Calvin Welch, Ace Washington, Sue Hestor, L. Jamie Jamerson, Tom Numainville, Michael Stanton, Randall Evans, Dick Grosboll, Arnold Townsend, John H. Yearman, Grandville Jackson, Joseph Skiffer, Geraldine Johnson, Faheem Hameed, Essie Collins, John McCartney, Reverend Amos Brown, Nat Mason and Charles Collins.

Mr. Helfeld indicated that it did seem most appropriate to be responsive to the Mayor's request. The question of adding more retail space to the development raises other issues that can affect the design of the project. Density and bulk controls have been proposed as a result of thorough analysis, and if more retail space is permitted, the amount of housing would likely be reduced. Also the retail market in this area must be considered, and if the Commissioners decide to make the offering more flexible relative to retail, it is strongly recommended that the Agency update the retail analysis of the area to help prospective developers and adjacent developers who have retail uses. With regard to the public benefit package, having to provide a variety of public benefits can adversely affect the profitability of a developer's enterprise, and no developer will take on a project unless there will be some profit. One way to approach this is to allow for the land price to be adjusted during the negotiating period, depending on the public benefit package. Also, tax increment funds could be available in terms of housing subsidy. Mr. Helfeld concluded by saying that at the Commission's instruction, he will meet with the WAPAC group and report to the Commission within two weeks.

President Newman inquired whether the goals would be re-written should the Commission choose to recommend flexibility in the retail space, and Mr. Helfeld indicated affirmatively.

President Newman inquired whether there was a third area of modification at issue in addition to the Mayor's request for 51% of the equity partners to be Black and the question of more flexibility in the amount of retail space. Mr. Helfeld responded that the third issue, the public benefit package, would be covered in the negotiating process.

Commissioner Arnelle requested that the language of the Mayor's request be slightly amended to reflect the objective is actually for a percentage of Black equity partners with as high as possible over the 51% level. President Newman indicated that the language of the Mayor's request seemed to be flawed in that it would be possible that 51% of the equity partners could be Black while actual ownership could still be 99% non-minority. Commissioner Arnelle agreed that it was probably the Mayor's intention to give preference to firms with 51% Black ownership, which should be reflected in the language.

Commissioner King indicated his support for the Mayor's position and agreed that the objective was for at least 51% Black ownership. He also commented that the Agency had a big responsibility to ensure opportunity for substantive Black participation in the Fillmore Center as well as City-wide.

Commissioner Lee indicated that he felt a stronger word than "preference" might be appropriate with regard to the Mayor's request. He also stated that he was in agreement with a number of the speakers who had voiced concerns that 30,000 sq. ft. of commercial space may not be adequate, and he would consider increasing that figure if it could be done without reducing the 220 units of housing.

Commissioner Arnelle added that in principle he also would support flexibility in the amount of retail space.

Mr. Borregard indicated that the agenda item was for approval of goals, and the resolution could be modified to include the Mayor's recommendation and flexibility of retail space. Language could be utilized to reflect the Commissioner's intention to strive for the proportion of Black equity to be higher than 51% and also to clarify that the 51% refers to actual equity and not just the number of partners.

Commissioner Arnelle indicated that he was anxious to see the proposed language of the modifications. Mr. Helfeld suggested that in order to speed up the process, the revision could be drafted and read to the Commissioners over the phone to be sure that the Commission's concerns have been met.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 112-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Third Amendment to the Legal Services Agreement with Brobeck, Phleger & Harrison. This item was continued from the meeting of May 10 at the request of Mr. King so that Mr. Arnelle could be in attendance. The amendment would increase the amount of the contract by \$75,000 to a total of \$425,000.

Mr. Arnelle indicated that although the Brobeck firm is not close

to what he wanted them to be in their affirmative action program, they were measurably above others in the City.

Mr. Gustavson indicated that he had firsthand knowledge of the pro bono work the firm does.

Steve Finn promised that the firm's affirmative action program would get better.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THE RESOLUTIONS NO. 108-88 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of the Method of Sale and Minimum Disposition Price of 1905-1907 O'Farrell Street and Placement of Advertising at a cost not to exceed \$4,000 in connection with Rehabilitation Offering No. 26 in the Western Addition A-2. The property is improved with a two-story wood-framed Victorian structure built in 1895 as two residential flats without a garage. The offering will follow the normal practice of rehabilitation offerings, with two categories of respondents: certificate of preference holders and non-certificate holders ranked by price equal or above the minimum disposition price of \$52,500. There is no restriction on developing rentals or condominiums, as rentals would likely limit interested developers to high income individuals and may deprive certificate holders of the opportunity to participate in the development. For condominium developments, the standard Agency profit limitation/sharing will be included in the LDA. It is planned to receive all bids by mid July 1988 and after the necessary evaluations, a recommendation will be calendared for Commission consideration of exclusive negotiations with the successful developer.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Letter Agreement with Bayside Village Associates for Installation of a 12" Water Main in Beal Street in Rincon Point-South Beach. The San Francisco Fire Department has requested a 12" main in Rincon Point-South Beach for adequate fire protection, and the San Francisco Water Department concurs. Bayside Village Associates wishes to install the new 12" main on the portion of Beale Street fronting on its development now, to avoid street reconstruction while marketing its housing. However, since Bayside Village Associates is not obliged to pay for the new main, it seeks reimbursement from the Agency, in an amount not to exceed \$70,000, for this work. The proposed Letter Agreement provides for such reimbursement in the event that other potential funding sources, such as a special assessment district, do not materialize. Prior to executing the Letter Agreement, the Agency will obtain the Water Department's written confirmation that it will construct the

Minutes of a Regular Meeting, May 24, 1988

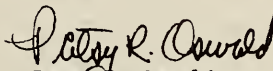
balance of the new main in the near future, and will furnish all materials free

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-88 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Gustavson, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:05 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: August 16, 1988

NOTE: These minutes are an edited version of the proceedings. A full tape recording of the proceedings is on file with the Agency Secretary.

OCT 26 1988

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
31ST DAY OF MAY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of May, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian
Charlotte Berk
Leroy King
Melvin D. Lee

and the following absent:

H. Jesse Arnelle
Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Melvin Miles, PINC; Stewart Warner and Edgar Baker, Buchanan Y.M.C.A.; Stephan C. Leonoudakis and Albert A. Schlarmann, Fourth & Harrison Association; John T. Jorgl, John Jorgl AA; John Elberling, TODCO; Burnette Forte, Randall Evans, Ace Washington and Douglas Jenkins, WAPAC; Jane Herzog; Bill Cook, Consultant; Tom Or, Peat Marwick Main & Co.; Harry Cellin.

Representing the press were: Gerald Adams, San Francisco Examiner, and Steve Massey, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Helfeld reported to the Commission on the following matters;

- (a) On May 26th ribbon cutting and dedication ceremony for the Joan San Jule Apartments on Eddy Street was held by the San Francisco Housing Authority. Commissioner King was in attendance and did the honors.
- (b) As of May 31, 1988, 16 developer packets have been picked up for the Request for Qualifications of East Block 1 in Yerba Buena Center.

NEW BUSINESS

- (a) Mr. Helfeld reported on item (a) which requests authorization of a First Amendment to the Land Disposition Agreement with Terry Collins, Cecilia R. Johnson-Collins, George P. Colbert and Greer M. Smith-Colbert for rehabilitation of 1151 Webster Street in the Western Addition A-2 to extend the schedule of performance for submission of evidence of financing from May 25 to August 24, 1988, and conveyance of the site from July 20 to October 10, 1988. The 90-day extension is requested to allow time for updated construction bids necessitated by some minor changes in the architectural drawings; additionally, the Developer recently submitted a building permit application to the City's Bureau of Building Inspection, which will require 6-8 weeks for processing. The Developer has diligently pursued the performance of the obligations under the terms of the LDA authorized in July 1987 and taken the precautions necessary to assure the economic viability of the project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 115-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b) which requests re-entry into exclusive negotiations until November 30, 1988, with Parent-Infant Neighborhood Center, Inc. (PINC) for the development of a child care center on Parcel 724-A(1) located at the southeast corner of O'Farrell and Webster Streets in the Western Addition A-2. In order to allow PINC to continue fund-raising activities, six extensions were approved to exclusives granted in September 1985. However, because the May 18, 1988 date for submission of schematic drawings was not met, the exclusive negotiations expired. Subsequently, the Mayor's Office of Community Development agreed to approve PINC's contract with the architectural firm of Okamoto, Murata, Mittlestadt to prepare schematic drawings. The revised performance schedule calls for submission of schematic drawings and submission of evidence of equity capital by October 26, 1988.

Melvin Miles, Director of PINC, urged approval of this item.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 116-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c) which requests authorization of an Owner Participation Agreement with Young Men's Christian Association of San Francisco in connection with the rehabilitation of 1530 Buchanan Street in the Western Addition A-1. Renovation plans include upgrading of the interior office spaces, day care center, gymnasium and multi-purpose center as well as approximately 2,800 sq.ft. of new construction to accommodate new exercise rooms with shower and locker facilities, which will increase the adult programming potential of the YMCA. While there is an existing OPA dated July 27, 1956, which provided for minor landscaping and concrete work which was completed, a new OPA would be in the best interests of the Agency as it would contain all

current provisions and requirements. Construction costs are estimated at \$650,000. The YMCA has agreed to incorporate affirmative action requirements in seeking construction bids in the next few weeks. Aggressive fund raising by the YMCA has resulted in donations in excess of \$1 million.

Stewart Warner, Vice President, and Ed Baker, Chairman, of the Building Committee spoke in support of this item.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 117-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d) which requests authorization of exclusive negotiations until August 31, 1988, with San Francisco Parking, Inc., as a prospective general partner of a partnership to be formed, for its proposed purchase and development of a parcel located on the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. A Request for Proposal was authorized with the developer in February of this year. The developer proposes to construct a mixed use development with underground parking, a supermarket and hotel lobby space at street level and a 198 unit, all suite, atrium style hotel. The Agency intends the supermarket will remain for a minimum of 5 years. The developer is involved in discussions with several potential supermarket and hotel operators and once there is site control, the developer will be in a position to finalize agreements with such operators. The developer has demonstrated financial capacity and their track record indicates experience and capacity to carry out the proposed development.

Mr. Helfeld indicated one issue that has been raised by the community and John Elberling, is how long the supermarket will by agreement remain a supermarket. It is staff's understanding that the developer is willing to commit to 20 or 25 years and the Agency should be in a position to implement that, but also if a supermarket goes out of business within that time or after that time that any prospective land use modification would have to come to the Commission for review and approval.

Mr. Leonoudakis indicated he and the architect Mr. Jorgl are present to answer any questions.

John Elberling indicated what Mr. Helfeld proposes is not quite what is desired. The South of Market Consortium strongly feels there should be a permanent, recorded deed restriction on the supermarket space so that it will stay in use as a discount supermarket. If there is a real problem 20 years down the road with this discount supermarket use, the then hotel owner can come back and ask the Commission for a change. He requested that this be a part of the exclusive negotiations agreement with the developer.

Mr. Newman inquired that should a discount supermarket for whatever reason be unable to make it financially and another

discount supermarket could not be found to go into the space, how would that situation be handled. Mr. Elberling indicated that if they know that is all they can do with that space, they will find another operator though it may take a year or two. However, if it gets turned into a restaurant, there will never be another discount market there ever. That is the concern.

Mr. Helfeld indicated he is not adverse to recommending this as the intent, but would have to consult with Mr. Borregard as to how to work out the mechanisms and report back to the Commission in thirty days.

Mr. Mardikian requested that staff report back within the first thirty days with a special report on the supermarket element of the negotiations.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 118-88 BE ADOPTED.

- (e) & (f) Mr. Helfeld introduced item (e) which requests a Second Amendment to the Agreement with Robinson Mills & Williams that would modify the building program and construction budget for the Visual Arts Center and Forum Building, and item (f) which requests a First Amendment to the Agreement with James Stewart Polshek and Partners which would modify the building program and construction budget for the Theater Building. Both are for the Yerba Buena Gardens Cultural Center. The Design Contracts between the Agency and the architects call for program analysis in consultation with the Cultural Operating Board (COB). The Building programs developed by the architects were intended to reconcile the program budget available to the Agency. To make the goal achievable, the COB has proposed to augment the construction budgets by agreeing to raise additional money for the construction and if they do, no part of the program (the Forum) will be deferred or phased. This new infusion to the construction budgets requires that the contracts with the architects be amended to increase the construction budgets for design of the facilities and other related changes. With approval of these amendments (the programs and budgets), schematic design will be authorized to begin on the Visual Arts Center and Forum, while the schematic design for the Theater will begin contingent upon approval of the Esplanade design approach.

Bill Cook, consultant, indicated he was present to answer questions.

Randall Evans, WAPAC, indicated his concern regarding the architect's affirmative action program, and President Newman directed Ben Hattem, Affirmative Action Officer, to share that program with Mr. Evans.

Peter Mezey, President of the Cultural Operating Board for Yerba Buena Gardens, indicated that the Board's commitment to raise \$1.9 million in 1992 dollars can be carried out, which they are

certainly dedicated to doing. It was concluded that the alternative of scaling down this project or phasing it would lose the impact of the project and its essential effect. It is believed that there is the capacity in the community to raise the funds.

Mr. Newman inquired if the money is not raised, would the construction of the forum, which he felt was an important part of the whole project, be deferred. Mr. Mezey indicated affirmatively and agreed the forum is important and it is hoped to bring together all of the cultural elements of the community to make this center a part of San Francisco and all of its diverse culture. In that sense the forum is from a social standpoint perhaps the most important. He believed with that spur, they will go forward with even more vigor than they would otherwise have to try and raise the funds so that all can be all built simultaneously.

Ms. Berk indicated that as one of the Commissioners sitting on that Board, that it is a marvellously talented and really professionally competent Board that has gone into all this with a great deal of feeling and knowledge about what they are doing and asked Bill Cook if he thinks this is all possible.

Mr. Cook indicated that in terms of measuring the Board's expectations, they originally felt that they could raise up to \$2.5 million. However, the Board's intention would be to actually aim for between \$4 and \$5 million, so that there was some program endowment in it as well. The Board is comparing this kind of campaign to both Fort Mason and possibly the University Art Museum campaigns and not to the Ballet building, Symphony or any of those kinds of projects. If, in fact, the Board is naming specific areas of the building after donors, the aim will not be less than 15% or 20% of the total cost of this project in return for that kind of acknowledgement, and it is based on that ratio that the goal was set and \$2 million is a far smaller amount, a place where the Board feels comfortable in making a guarantee.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 119-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-88 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g) which requests authorization for further amendment of the conveyance date from June 1, 1988, to June 29, 1988, with M & L/India Basin, Inc. for Parcel F8(a) in the India Basin Industrial Park. Additional time is requested to permit the general contractor to submit a satisfactory affirmative action program and to submit financing documents to escrow. The Agency has provided M & L with the opportunity to develop this parcel as a replacement facility for their industrial laundry operation located at 1464 Washington Street, which has been acquired by the City and County of San Francisco for park

purposes. They presently employ seven persons and anticipate expansion of the laundry operation, eventually employing twenty to thirty people. In addition to the laundry, part of the proposed building will be occupied by California Central, Inc., a restaurant supply company.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 121-88 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h) which requests authorization of a Second Amendment to the Personal Services Contract with Keyser Marston Associates, Inc. (KMA) to include all project areas, and to increase the contract amount by \$15,000 to a total amount of \$75,000. At the Agency meeting of May 24, 1988, the proposed Request for Proposals (RFP) for the development of Parcel 732 in the Fillmore Center was modified to allow developers the flexibility to increase the maximum area recommended for retail/commercial use. An economic review by Agency Staff is necessary to determine the impact of such increase, and KMA has agreed to assist staff in its review and also in the analysis of proposals received in response to the RFP. KMA has previously assisted in feasibility studies regarding the Fillmore Center Associates development. Thus, they have the experience and recent involvement needed to assist in providing this economic review. KMA continues to provide financial analysis and economic review in the Yerba Buena Center and their services may be needed in other project areas.

Randall Evans requested a copy of the memorandum on Keyser Marston's Affirmative Action Program and President Newman directed the Secretary to give Mr. Evans a copy.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 122-88 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i) which requests authorization of a Janitorial Services Contract with Westcoast Maintenance Service beginning June 2, 1988. The proposed contract provides for payment of \$1,750 per month for janitorial services at the Agency's 939 Ellis Street offices. The proposed Agreement would begin June 2, 1988, and extend through June 30, 1989, with an option for the Agency to extend the contract for an additional year. For the last six years, the janitorial services have been performed by Bay Area Janitorial and Maintenance Co.; however, despite notice from staff, the quality of service has diminished during the past several months. Because of the length of time since the janitorial contract was last rebid in 1982, it was decided to solicit proposals from the eleven firms listed in the Agency's 1988 Directory of Minority Janitorial Contractors. Westcoast Maintenance, the second lowest bidder out of seven bids received, has been in business for ten years and carries adequate insurance coverage. Highly satisfactory reports have been received from references contacted and, given the scope of

services under the contract, the price is reasonable when compared to other proposals received.

Ace Washington, WAPAC, personally recommended this contract.

Robert Wade, Westcoast Maintenance Service, indicated that if there are any positions open he would be willing to consider qualified people from the Western Addition community.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION 123-88 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j) which requests an Amendment which increases the maximum payable by \$35,000 for a total amount of \$120,000 and increases the scope of services, to the Contract with Peat Marwick Main & Co. and Izabal, Bernaciak and Co. for the audit of the Agency's financial records for the years ended June 30, 1987 and 1988. This contract was approved in June 1986 for the firm to perform the annual audits of the Agency's financial records for 1986, 1987 and 1988 at a cost not to exceed \$85,000. The fee was based on certain assumptions, two of which were that there be no substantive changes in reporting requirements during the period, and that Agency staff prepare the basic financial statements which would then need very few adjustments by the auditors. In the event that increased reporting requirements did occur, provisions were made in the contract to negotiate appropriate fee adjustments. Since June 1986 there have been substantive changes in the reporting requirements, and due to lack of staff and an antiquated computer system, the Agency has been unable to prepare financial statements as agreed in the contract. Staff will be recommending an additional position of Senior Programmer Analyst to update the Agency's computer systems and remedy the systems' problems. If approval of this position is delayed or denied, the auditors will again have to prepare those necessary statements at additional costs. Also, the audit exceptions the Agency now has will still exist and continued exceptions could have a negative impact on future bond issues of the Agency.

Mr. King indicated his concern about the firm's lack of minority partners or managers, and Tom Or of Peat Marwick Main & Co. explained the firm's affirmative action program. Mr. King noted that when this contract comes up for renewal, he expects improvements in their affirmative action program.

ADOPTION: IT WAS MOVED BY MS. BERK AND SECONDED BY MR. MARDIKIAN THAT RESOLUTION NO. 124-88 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Mardikian
President Newman

Minutes of a Regular Meeting, May 31, 1988

AND THE FOLLOWING VOTED "NAY":

Mr. King

THE PRESIDENT DECLARED THE MOTION CARRIED.

At this time the meeting adjourned to the 4th floor conference room for item (k) a workshop, at 5:15 p.m. and reconvened at 5:17 p.m. with the same roll call.

- (k) Workshop on and approving resolution of certain of the five remaining design concerns for a portion of the development and also approval of August 31, 1988, as a date certain for resolution of the unresolved design concerns for the remaining portion of Fillmore Center Associates' development of parcels bounded by O'Farrell, Fillmore, Turk and Steiner Streets in the Western Addition A-2.

Tony Lumsden of DMJM presented the following: 1. The schematic landscape design for Parcels 726-A and 731-A except for the corner plaza at Fillmore and O'Farrell Streets. 2. Proposed exterior materials and colors for Mid-Rise No. 1 and all of Parcel 726-A. This approval is subject to staff review of the colors and final placement in the field. 3. Redesign of the building link at O'Farrell Street.

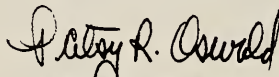
Also the five design concerns remaining to be resolved by August 31, 1988, are: 1. The design for the corner plaza at the southwest corner of O'Farrell and Fillmore Streets. 2. The final architectural and landscape design for Parcel 750-A including placement of building colors. 3. The proposed exterior colors for Parcel 731-A. 4. The final design treatment of the rooftop areas. 5. The final floor plans and elevations for the low-rise buildings on Parcels 726-A and 731-A.4

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-88 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:55 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: August 16, 1988

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF JUNE, 1988

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of June, 1988, the place and date duly established for the holding of such a meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Charlotte Berk
Leroy King
Melvin D. Lee

and the following were absent:

Walter S. Newman, President
H. Jesse Arnelle
Carl D. Gustavson

The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Bettye A. Webb, Local 790; Randall Evans and Derf Butler, WAPAC.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendment to Developer Agreement which corrects an ambiguity regarding commitment fees in connection with the Agency's Residential Mortgage Revenue Bonds (1981 Issue A) for the Divisadero Heights Project in the Western Addition A-2. As is typical, the Developer was required at time of issuance of the Bonds to agree to pay certain commitment fees necessary to ensure sufficient assets to repay the Bonds in the event of either non-origination or prepayment of the individual mortgage loans. Per the Developer Agreement, the obligation to pay such commitment fees expires on June 1, 1988, unless there is present an "Asset Deficiency," in which case the Developer is liable up to the amount of \$205,000. Due to an omission in the definition of Asset Deficiency in the Developer Agreement as it presently stands, the Developer would have to pay a commitment fee of \$205,000, which was not the intent of the parties and is not necessary to provide security for the Bonds. Both the Trustees and the Agency's Bond Counsel approve of the proposed Amendment, which would correct that omission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Resolution of Intention to amend the Agency's contract with the Public Employee's Retirement System (PERS) as the first step in approving two years' additional retirement service credit to eligible employees as incentive to take early retirement, thus reducing the need for layoffs. Proposition D on the June 7, 1988 City and County of San Francisco ballot similarly provides that the Board of Supervisors may adopt ordinances allowing for early service retirement for certain eligible City employees, subject to an actuarial report and a report by the Controller on the cost effectiveness of the proposal. PERS has a similar contract amendment option currently available to member agencies providing two years' additional service credit to employees who retire during a designated 90-day period beginning no later than July 2, 1988, (since this section of the law expires on September 29, 1988) if a mandatory transfer, layoff or demotion is imminent and certain requirements are met including: 1) the member is employed in a specified job classification, department or other organizational unit; 2) the Agency must pay the Retirement System the actuarial equivalent of the difference between the allowance the member will receive and the allowance the member would receive without this contract amendment (this amount is shown on the attachment to the Commission Memorandum of June 2, 1988); and 3) the Agency must certify that it is electing to be subject to the provisions of this section due to mandatory transfers, layoffs and/or demotions that constitute at least 1% of the positions in the Agency and that at least one vacancy in any position which becomes vacant as a result of this contract option shall remain permanently unfilled. Layoffs may be necessary in late '88 or early '89, and the Agency should be able to satisfy all the requirements of the PERS law. There are currently 30 employees who meet the eligibility requirements of age and length of service to qualify for the service credit option. However, only those employees close to their intended retirement date are likely to take this option. Potential savings could be realized in the areas of severance pay, salaries and fringe benefits as a result of avoiding layoffs, leaving positions unfilled, refilling positions at a lower salary and reclassification of some positions. There are some potentially negative implications including small salary savings where positions need refilling and difficulty in refilling certain positions. As the Agency has no control over who accepts the retirement option, some valuable employees may be lost, but it is possible to revise the list of eligible classifications until adoption of the final amendment. Per State law, any amendment to the PERS contract must be acted upon twice by the Commission in no less than a three-week period. Because of the September 29 expiration of this PERS law provision, the final action must be taken no later than June 28 and the first action by today, June 7. However, should Proposition D fail to pass, then staff would recommend that the second action not be taken.

Bettye A. Webb, Vice President of Local 790, indicated she has met with staff and the Union, who fully supports this item.

Minutes of a Regular Meeting, June 7, 1988

Ms. Berk inquired if Proposition D does not pass, can the Agency elect to follow through on this item, and Mr. Helfeld indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 127-88 BE ADOPTED.

(c) Mr. Helfeld introduced item (c), which Requests authorization to amend the Agency Salary Resolution (No. 165-87) to add the classification of Project Coordinator and Senior Programmer Analyst. It is recommended that this item be tabled.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (C) BE TABLED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY-RELATED MATTERS

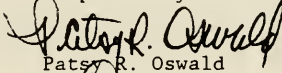
Randall Evans of WAPAC indicated that he had surveyed the Fillmore Street merchants, giving further credence to giving the names and addresses of certificate holders to WAPAC.

Acting President Mardikian announced that there will be a Closed Session pursuant to Government Code Section 54956.9 for the purpose of instructing the Agency's negotiators regarding price and terms of payment concerning possible changes in the disposition of the Jessie Street Substation and a portion of East Block 2 in the Yerba Buena Center Redevelopment Project Area. The entities with whom the Agency's negotiators will negotiate are YBG Associates and the San Francisco Museum of Modern Art.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a closed session. The meeting adjourned at 4:12 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: August 16, 1988

NOTE: These minutes are an edited version of the proceedings. A full tape recording of the proceedings is on file with the Agency Secretary.

SF
R35
4
6/14/88

DOCUMENTS DEPT.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF JUNE 1988

OCT 26 1988

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of June, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Charlotte Berk
Carl D. Gustavson
Leroy King
Melvin D. Lee

and the following absent:

H. Jesse Arnelle
Walter S. Newman

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Bruce D. Baumann, Combined Realty; Ronald A. Shoenberg, Brunetta Gallaread and Joe Gallaread, New Hunters Point Homeowners Association; Dolly Marinda, Terry Lindahl and Randy Jackson, Pioneer Hills; Yvette McCoy, Future Perfect/Progress 7; Jamie Lockett, Progress 7; Jay Patterson, Moscone Expansion Newsletter; John Cribbs, Chief Administrator's Office; Tony Lumsden, DMJM.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of April 19, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Gustavson, and unanimously carried that the minutes of the Regular Meeting of April 26, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Earl P. Mills Memorial Center will be dedicated on June 20 at 11 a.m. at Whitney Young Circle in Hunters Point.
- (b) In the Commissioners' folders today is a letter to the Sun Reporter in reply to their inquiry regarding the Cathedral Hill

Plaza West (Szeto) and Fillmore Center Associates (Tishman) meeting their affirmative action goals. Cathedral Hill is approximately 65% complete, and their M/WBE Goals were 15%. They have reached 89% of that goal. Fillmore Center started construction in August and their M/WBE Goals are 15%. They have reached 36.6% of that goal. Also residential hiring is at 30.7% for Cathedral Hill and 28.1% for Fillmore Center. It is felt that good faith efforts have been demonstrated by the developer, general contractor and subcontractors in meeting the Agency's Affirmative Action Program and residential hiring efforts. Also attached to that letter is a report from the Ella Hill Hutch Community Center. There efforts have been very significant. As of May 31, 1988, 1,664 clients have been served and 396 persons placed in jobs.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a) which requests authorization of a Quitclaim Deed to the USA for release of a sewer easement; and authorization of an Easement Deed for conveyance of a sewer easement to the City and County of San Francisco within Morgan Heights (formerly Solomon Village) located northeasterly of Mariners Village in the vicinity of the Hunters Point Redevelopment Area. In 1980 Inchon Village (now Mariners Village) and Solomon Village (now Morgan Heights) were acquired by the Agency from the USA for development of low- and middle-income housing. The Department of the Navy on behalf of the USA granted a sewer easement to the Agency to accommodate a sewer line, lying in part within streets under Navy jurisdiction, constructed by the Agency in 1981 to connect with the City's existing sewer system. The sewer was later realigned, requiring relocation of the easement, and thus it is necessary to execute a Quitclaim Deed in favor of the USA to release the previously granted sewer easement. Morgan Heights was conveyed to BRIDGE Housing Corporation in November '87. In the deed for conveyance, the Agency reserved the sewer easement for the benefit of the City, and thus it is appropriate to execute an easement deed for conveyance to the City of the easement reserved within Morgan Heights. On behalf of the USA, the Navy has executed and delivered to the Agency its Grant of Easement for forwarding to the City. After Commission approval, the executed Agency Easement Deed and the executed USA Grant of Easement will be transmitted to the City for acceptance.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b) which requests authorization to expend \$1,848 for property insurance, all-risk coverage with limits of \$800,000 including loss of rental, through Arkwright Mutual Insurance Company on 550 First Street in the Rincon Point-South Beach area. This building will be demolished in about three years for housing. In the meantime, current annual rental income is \$60,000 with potential growth to \$250,000 per annum with 100% occupancy. Arkwright's quote of \$1,848 with a \$5,000

deductible was the lowest received, with the high being \$7,250 also with \$5,000 deductible. Similar coverage last year cost \$8,000 through Curtis Day & Co. Arkwright is part of the factory mutual group, to which the Agency gained access through Bay Cities Joint Powers Insurance Authority (BCJPIA). BCJPIA are putting together a property insurance program through Arkwright which would enable the Agency to obtain all of its property coverages through one carrier.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c) which is a workshop to present three proposals for the development of Parcel DD-2 located on Hudson Avenue Between Whitney Young Circle and Ingalls, one of five remaining large residential parcels in Hunters Point. These proposals have been presented to the New Bayview Citizens Advisory Group, who have expressed concern regarding affordability of the proposed homes, which is a very significant issue. The Agency's major housing efforts in the Hunters Point area have been directed at low and moderate income families, and as a result approximately 1,500 dwelling units have been built in the area, 80% of which are for low and moderate income residents. There are currently 79 single family homes under construction in the area with sale prices ranging from \$98,000 to \$108,000, which most definitely qualifies as low and moderate income housing. The concept for the last five parcels for home ownership was to achieve a mix of income groups in the community, and to that end the Agency has sought proposals for housing that would still be affordable, but at slightly higher levels. A table titled "Affordability Analysis" was circulated to the Commissioners, which defines affordability assuming a 30-year term, an interest rate of 9% and a down payment of 10%, and on this basis a family of three with a maximum income of approximately \$45,000 could afford to pay \$137,000 without additional subsidy. Where some of the housing comes in over this limit, additional subsidy will be required. The issue that must be addressed in future discussions is what are the reasonable limits of affordability acceptable to both the community and the Commission. The developers are here to present their proposals, and after a review of comments from the community and the Commission, staff will return at a future meeting to recommend a developer for exclusive negotiations.

James Wilson, Project Director, Hunters Point/India Basin Industrial Park, introduced the following three developers who presented their proposals: 1) Combined Realty and Gaehwiler Construction Company, a joint venture; 2) Future Perfect Inc. and Pioneer Hills Developers, a joint venture; and 3) Sunboro Development Corporation.

Brunetta Gallaread and Ronald Schoenberg of the New Hunters Point Homeowners Association indicated that the New Bayview Committee did not represent everyone in Hunters Point, and they believed that the area should be kept for market rate housing.

Minutes of a Regular Meeting, June 14, 1988

Mr. Helfeld commented that the issue no longer appeared to be the quality and type of housing to be built, a concern initially voiced by some community groups. The community's concern as well as the Agency's was now the question of what level of income should be required for this home ownership opportunity and whether the Agency should provide some subsidy to enable lower income groups to purchase the homes.

Acting President Mardikian indicated that the meeting would be recessed to the fourth floor conference room for item (d). The meeting recessed at 4:55 p.m. and reconvened at 5:00 p.m. with the same roll call.

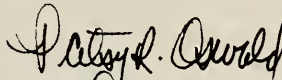
- (d) Workshop to present the Moscone Center expansion's preliminary construction documents for the Central Block Three meeting rooms; Yerba Buena Center. Subsequent to this workshop a recommendation concerning the preliminary construction documents will be made.

John Cribbs spoke on behalf of the Chief Administrator's office and Tony Lumsden of DMJM explained the design elements of the meeting rooms.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: August 16, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file
with the Agency Secretary.

R35
#4
6/21/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF JUNE 1988

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of June, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman, President
- Haig G. Mardikian, Vice President
- Charlotte Berk
- Leroy King
- Melvin D. Lee

and the following absent:

- H. Jesse Arnelle (Arrived 4:17 p.m.)
- Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ace Washington, WAPAC; Dolly Marinda, Pioneer Hills; Bruce E. Loughridge; Carl Carpenter; Jay Mancini and John Colette, Rincon Center.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of March 29, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Closed Session of May 3, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Dedication ceremonies were held on June 20 for the Earl P. Mills Community Center at Hunters Point. The event was well attended - President Newman and Commissioners King and Lee were there as well as many friends who had worked with Earl. A portrait of Earl has been commissioned to hang in the Center, and donations may be made to the Whitney Young Child Development Center - Earl Mills Fund.

- (b) The Grand Opening of Bayside Village at South Beach will be held on June 29 at 4:00 p.m. When this development's Third Phase is completed in the Winter of 1989, it will provide 868 dwelling units of housing, 20% for low income.
- (c) The swing loan for Coleridge Homes in Bernal Heights, a low income housing development to be built over a Standard Brands Paint Store, closed today. Ground breaking ceremonies will be held June 24 at 11:00 a.m.

NEW BUSINESS

- (a) Sam Kalman made his appeal to the Commission regarding his proposal to modify the height limit established in the RPSB Design for Development Standards.

Mr. Helfeld introduced item (a), which is in regard to the request of Sam Kalman (Triangle Square Partnership) for a variance from the 24 ft. height limit to accommodate a proposed mixed-use parking facility, 42 ft. in height, on his property located on the northwest corner of Beale and Bryant in the Rincon Point-South Beach Redevelopment Project Area. The height limit is established in the RPSB Design for Development Standards and can only be changed by agreement between the Agency Commission and the City Planning Commission. Mr. Kalman purchased the site after their adoption and made a proposal in 1982 that he did not proceed with. In March of this year he submitted a new proposal that would require a 42 ft. height, which is not recommended. It is suggested that the developer consider resubmitting an alternative development proposal that stays within the height limits. One similar to Mr. Kalman's 1982 development scheme could provide a workable alternative which could be acceptable.

President Newman indicated he saw no public good in granting a 75% variance for the convenience of the developer.

Mr. Arnelle arrived at this time, 4:17 p.m.

Ms. Berk indicated there had been strong sentiment that nothing should be on this site and unless vital it should not be encroached upon though she felt housing would not be an encroachment.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT THE APPEAL BE DENIED.

- (b) Mr. Helfeld introduced item (b), which requests authorization for the Executive Director with the advice and counsel of Agency General Counsel to take all necessary actions to permit recovery of delinquent Berthage Fees and enforce termination of licenses at South Beach Harbor. A variety of remedies are available to the Agency for pursuing recovery of delinquent license fees, depending upon the amount owed, including small claims court, maritime lien actions and unlawful detainer actions. The amount of money

involved is usually less than \$5,000. Occasionally an amount owing will be compromised slightly or paid off in installments. Even where the amount claimed is paid in full, opposing parties or their counsel seek Agency dismissal of the actions and/or settlement agreements reflecting the conditions of payment.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization for exclusive negotiations until September 28, 1988, with Sunboro Development Corporation, a California corporation, for development of a parcel located on Hudson Avenue between Whitney Young Circle and Ingalls Street in the Hunters Point Redevelopment Area. It is requested that this item be held for one week.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (c), Resolution No. 132-88, be continued for one week at staff request. There being no such objection, it was so ordered.

- (d) Mr. Helfeld introduced item (d), which requests authorization for an Amendment to the Agreement with Bruce E. Loughridge and Lawrence M. Spergel, which further extends the performance date for completion of rehabilitation from June 21 to December 21, 1988, in connection with the property located at 1402-04 Post Street in the Western Addition A-2. The LDA was authorized in May 1984 and conveyed to the Developer in November 1985. The work is approximately 75% complete, but various difficulties encountered during construction, necessitating revised drawings and construction costs, have delayed completion. This additional six-month extension should allow the developer adequate time to complete the project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 133-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests finding that it is necessary to deposit less than 20% of the tax increment allocated in fiscal year 1987-88 to the Agency from the Yerba Buena Center Redevelopment Project into the Low and Moderate Income Housing Fund, and adopting a plan to eliminate the deficit in the Low and Moderate Income Housing Fund. It is requested that this item be continued to the meeting of June 28, 1988.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (e), Resolution No. 134-88, be continued for one week at staff request. There being no such objection, it was so ordered.

- (f) Mr. Helfeld introduced item (f), which requests a Letter Agreement with the Information Services Division of the Office of the Controller of the City and County of San Francisco to provide the Agency with property tax information; all Redevelopment Project

areas. It is requested that this item be continued to the meeting of June 28, 1988.

RULE OF THE CHAIR: President Newman indicated that, subject to the objection of any Commissioner, item (f), Resolution No. 135-88, be continued for one week at staff request. There being no such objection, it was so ordered.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Letter Agreement with the Department of Public Works of the City and County of San Francisco in the amount of \$50,000 for building inspection services for the next fiscal year starting July 1, 1988, for all the Agency's Redevelopment Project Areas. The current Letter Agreement expires June 30, 1988, and there is a continued need for such services. Agency staff and City Inspectors jointly perform comprehensive property inspections on all structures proposed to be retained or rehabilitated in the designated project areas. The Letter Agreement will provide for the services of one building inspector for two days per week and one electrical inspector and one plumbing inspector as needed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 136-88 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests approval of Letter Agreement with the Department of Public Works in an amount not to exceed \$5,100 to the Department of Public Works (DPW) for the continuation of rehousing inspection services needed for the Agency's relocation program for the period of July 1, 1988 through June 30, 1989, in all projects areas. The previous Letter Agreement expires June 30, 1988. In accordance with City policy, some potential rehousing units for displaced persons must be inspected by experienced environmental inspectors to check that the units meet all local codes. Approximately 80 inspections are anticipated, and based on DPW's projected cost of \$63.09 per inspection, the funding need is \$5,047.20, rounded up to \$5,100.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 137-88 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests conditional approval of the Preliminary Construction Documents (PCD) for the expansion of the George R. Moscone Convention Center on the rooftop of Central Block 3; Yerba Buena Center. Since March 1988 when the general location and configuration for the CB-3 meeting rooms were approved, the City's architects and the Agency's architects for the various aboveground YBC improvements have been meeting to coordinate the design of their respective facilities. The PCD design submission has been reviewed by these architects as well as staff and consultants to assure that the Agency's design options for its facilities are maintained. Various design concerns remain to be resolved or clarified during the development of Final Construction Documents and are so noted in the memorandum to the Commissioners dated June 20, 1988. They will be dealt with

through continuing discussions between the City's architects and the Agency's architects, staff and consultants. These issues generally regard the relationship of the GMCCE Building program and spatial organization to the Agency's YBG program uses and GMCCE's selection of materials and design details.

Rudy Nothenberg, Chief Administrative Officer, indicated he appreciated the care that had been taken by the Commission and Agency staff to make sure this building is consistent with the overall YBG concept. They would like the building to be an attractive and compatible neighbor to the buildings that the Agency will be constructing in the near future and they are prepared to work with the Agency on the remaining issues mentioned by the Executive Director so long as the City can proceed on course and achieve some certainty at the time when the City needs to come to a conclusion. The working drawings will be to the Agency in October, with bids to go out in November and a construction start no later than March. From their point of view this is absolutely an immutable time schedule. The Agency's concerns are known and the City will try to meet them but the City cannot afford a continuous amount of changes that will occur after October and between now and October. Assurance is needed that in October when the City comes back to the Agency with design drawings, the Agency will have seen enough of this project to feel comfortable with it.

Mr. Newman indicated that he realized that time is money and Mr. Nothenberg is under a good deal of pressure on this. The Agency will work overtime if necessary to help get the answers and the Agency pledges full cooperation.

Tony Lumsden noted the elements of design and indicated that there is a philosophical difference about trussing elements on the building.

Sue Bierman, City Planning Commission, indicated that efforts had been made so that the people who live in the housing that the Agency so wonderfully approved around there would be able to have an environment that was park like, livable and welcoming. It is a shock that this has to be so intrusive and so cold to that neighborhood, particularly the Folsom Street side. She felt she must have read the plans wrong, but hoped from now on when the Agency architects and consultants do the models and drawings that if something is green like grass they color it green. If it is pavement they color it something else besides green, because earlier in the day there was a drawing up there that had green in front of this particular Convention Center and at the workshop she was told that has never been anything but a driveway. She felt the extra 50,000 or 55,000 square feet a big intrusion and she and Sue Hestor felt very bad as it was like approving a third Convention Center. She believed it could have been better and it still could be as the convention people could get rid of 10,000 or 15,000 square feet to give room for some kind of green landscaping. On the east side of the existing lobby where it is

green it has some kind of relationship to the gardens, even if it is just that small space, so she wished that the City would work at trying on the east side and the north and the south to some way get rid of some of the institutional use and look and bring the garden element back. For the future, for the rest of YBC, she hoped this use is not exactly what is going to be everywhere and if there is the size then she hoped they would try to relate it more with greenery closer, not just in the center of the Esplanade, but all around the project some way to make it more garden-like because, if not, it is going to be a disappointment.

Mr. Lee indicated his concern about the trusses on Howard Street and believed they should be toned down.

Mr. Newman indicated to Sue Bierman regarding the meeting halls that the members of this Commission were hesitant throughout the negotiations and the planning to see as much meeting facility space put into the plan as it has eventually ended up, but he was convinced that it was absolutely necessary. He did not believe 10,000 or 15,000 feet could be taken out, though it would be desirable. The best people were hired to design it and unfortunately concessions had been made and that is one of them, but be assured that the balance of CB-2 and whatever else goes on top of CB-3 will certainly maintain the open space requirements that are legally required to do so.

Ms. Berk indicated she shared Sue Bierman's concerns, because as these things come along more and more of what was looked at originally is disappearing. She inquired what was the number of square footage in the original plan and why was it felt that somehow it was going to be this large when the actual planning for the addition came about.

Mr. Kernan, Senior Deputy Executive Director, indicated that when the concept of having meeting rooms on the roof was first advanced the Agency was told that the program would be 50,000 square feet of usable space. The question was that in order to have 50,000 square feet of usable space how much total space is necessary. At that time, and this was some years ago, Roger Boas was the Chief Administrative Officer and HOK was doing design studies for him. The design arrangement reached was a horseshoe arrangement holding back on either side of the convention center lobby and was a total of about 88,000 square feet of foot print for that facility, but this does show a larger footprint. It comes forward on the east side of the lobby. One of the reasons it does that is to provide a pedestrian connection from the lobby to the new foyer of the meetings rooms and that was an issue. There is always some question as to the workability of the arrangement that was achieved in the earlier design but it was 88,000 square feet.

Ms. Berk indicated that the earlier design did not have an extension on the Convention Center nor was any planned in the future and Mr. Kernan indicated affirmatively.

Ms. Berk indicated then it is known how it happened, but she would agree with Ms. Bierman and believed it is extremely important for the Agency to be aware of what our original promises were when YBC was planned and the Agency's part of it.

Mr. Helfeld indicated that the surface of Central Block 2 is totally in the control of the Commission and there is nothing that has been presented or discussed that in any way changes the basic scheme of Central Block 2. The only difference is of course, as the Agency tried to make clear to everyone interested, that because of the Moscone Convention Center expansion there are certain appurtenances that come out of the ground, but the basic open space, the configuration of the cultural center and the YBC retail entertainment stays the same and has not changed.

Mr. Nothenberg indicated he shared the Commissioners' and Sue Bierman's concerns and he believed that the CB-3 footprint is in fact smaller than the footprint that was in the original YBC approved plan going back some years. Also the City is trying to preserve as much of the green space on the Howard Street side as possible. It is his understanding the City is not going to take any of that green space and the City will try to preserve more greenery along the Third Street side. The City would like to have the Third Street side assigned medium relative active so that one does not drive into the City on Third Street and have that be a totally blank wall or a succession of blank walls from Folsom to Howard, from Howard to Mission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 138-88 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization for a Third Amendment to the Personal Services Contract with Warren, McVeigh and Griffin, Inc. to increase the allowable compensation for as-needed risk management consulting services by \$7,000 through the end of 1989. The initial contract approved in May '85 covered a variety of services, but for the last year the consultant services have been used primarily for analysis and development of the insurance requirements for the Convention Center expansion reciprocal easement agreement. Staff anticipates a continued need over the next year and a half for these services and expects that an additional \$7,000 should be sufficient for whatever contingencies may develop during that period. Most of the consultant services are now provided by Ms. Erin Oberly, who currently serves as president of the company.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 139-88 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization for an amendment to the On-Site Service Contract with Display Systems Leasing, Inc. (DSL) to include all Agency IBM Displaywriter word processing equipment. DSL currently provides very competent and efficient maintenance service on the Legal Division's

will provide service for all Agency Displaywriter equipment at a total annual cost of \$3,366.72, which is approximately \$791 less than what it costs with IBM, who currently services the rest of the Agency's equipment.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 140-88 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a) which requests authorization of a second amendment (which authorizes issuance of partial Certificates of Completion and makes other changes) to the Owner Participation Agreement with Rincon Center Associates for a housing and commercial development on Assessor's Block 3716, Lot 1 (development site B) on the block bounded by Mission, Steuart, Howard and Spear Streets; Rincon Point-South Beach Redevelopment Project Area.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON JUNE 17, 1988.

Mr. Arnelle inquired why this transaction was being done, and John Colette, Rincon Center, indicated to facilitate financing and assure that the balance of the project will be adequately financed.

Mr. Arnelle then asked if this transaction was a matter of public record and Mr. Colette indicated that it was not the intention of the parties to do that.

Mr. Arnelle then asked if Agency General Counsel was privy to the documents and Leo Borregard, Agency General Counsel, indicated "no, it was the custom, even in Land Disposition Agreements, that once there is a completion of improvements required by the Agency, the Agency is no longer involved in terms or conditions of any transfer or sale."

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 141-88 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

Ace Washington, WAPAC, requested to be scheduled as an item for next week's agenda to make a presentation to request staff to investigate the defunding of WAPAC; recognition of WAPAC as a Project Area Committee; stronger affirmative action program; answers to questions staff will not reply to.

President Newman suggested Mr. Washington meet with staff.

Minutes of a Regular Meeting, June 21, 1988

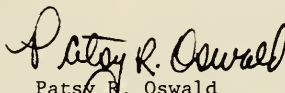
Mr. King indicated that he believed a letter was to be written to WAPAC on the Agency's position regarding these items but he had never received a copy.

Mr. Helfeld indicated a meeting had been scheduled with WAPAC that was canceled. He believed staff should meet with WAPAC first before a letter went out and indicated he hope to have the material to the Commission within the week.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: August 30, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file
with the Agency Secretary.

OCT 26 1988

SAN FRANCISCO
PUBLIC LIBRARY

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF JUNE 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of June, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Charlotte Berk
Leroy King
Melvin D. Lee

and the following absent:

H. Jesse Arnelle
Carl D. Gustavson
Haig G. Mardikian

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Dr. R. A. McCoy, Future Perfect; Ocie Rogers; John Cribbs, CAO's office; Calvin Welch, CCHO.

Representing the press were: Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King and unanimously carried that the minutes of the Regular Meeting of May 3, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Lee and unanimously carried that the minutes of the Regular Meeting of May 10, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Groundbreaking ceremonies were held on June 24 for Coleridge Park Homes, a 49-unit development for seniors to be built on top of the Standard Brands store by Bridge Housing Corporation and Bernal Heights Community Foundation. This is the development for which the Commission approved an approximately 1.5 million dollar swing loan at the end of last year. Commissioner Berk was in attendance, as well as the Mayor, who had brought the neighborhood

organizations together in their efforts to realize this development.

- (b) Just a reminder that Grand Opening ceremonies are being held for Bayside Village at South Beach on June 29 at 4:00 p.m.
- (c) At the request of Rudy Nothenberg of the CAO's office, on the agenda for July 5 will be an item to approve the resolution of a design concern for the Moscone Convention Center.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item 5(a) which requests authorization for exclusive negotiations until September 28, 1988, with Sunboro Development Corporation, a California corporation, for development of a parcel located on Hudson Avenue between Whitney Young Circle and Ingalls Street in the Hunters Point Redevelopment Area. Sunboro's proposal presented at the June 14th workshop is for 28 single-family homes ranging in price from \$139,000 to \$155,000. During exclusive negotiations, staff will detail with the Developer the mechanisms available to the Agency to make these units affordable to purchasers with moderate incomes that are below 120% of the median income for San Francisco. These methods could include land write-down, public improvements and certain developer fees, which are costs that can be absorbed by the Agency. The New Bayview Committee has reviewed and approved the proposal.

Mr. Lee inquired if the units would stay within the price range stated in the memo, as he noted the units in item 6(a) had a different price than had originally be proposed. Mr. Wilson indicated that the developer had used 1989 dollars in the calculation of the selling prices.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 132-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item 5(b) which requests adoption of findings to permit the deposit of less than 20% of the Tax increments allocated to the Agency from the Yerba Buena Center Project Area into the Low and Moderate Income Housing Fund, and adoption of a plan to eliminate the deficit created in the Low and Moderate Income Housing Fund. The California Community Redevelopment Law requires that for redevelopment project areas for which a plan was adopted prior to January 1, 1977, not less than 20% of all tax increments allocated in any given fiscal year be set aside for the provision of low and moderate income unless one or both of the following findings are made: 1) that payments under existing obligations created prior to January 1, 1986, and/or 2) that the orderly and timely completion of public and private projects, programs or activities approved prior to January 1, 1986, require the Agency to deposit less than 20% of the tax increments into the Housing Fund for that particular fiscal year. In June '87, the Agency adopted findings that it was necessary to

deposit less than 20% of the tax increments allocated in fiscal years 1985-1986 and 1986-1987 into the Housing Fund, in order to make payment under the Existing Obligations and to provide for the orderly and timely completion of the Existing Programs for Yerba Buena Center. For fiscal year 1987-1988, it is necessary and appropriate to adopt similar findings to deposit less than 20% of the tax increments into the Housing Fund because all these tax increments will be needed to make payments on the original \$28,000,000 Liquidity Facility Revenue Bonds, Series 1983. Amendments to the State Redevelopment Law which were effective January 1, 1988, provide that when the Agency deposits less than 20% of the tax increments into the Housing Fund, a deficit is created and the Agency must adopt a plan to eliminate the deficit in subsequent years. Tax increments allocated from the project area for fiscal year 1987-1988 amount to \$1.1 million, and \$220,000 is the deficit created in the Housing Fund. Staff has prepared a plan to eliminate this deficit either the year immediately following the project merger or 1995 should the project merger not be approved by the Board of Supervisors.

Calvin Welch of the Council of Community Housing Organizations indicated that after talking to the Executive Director, some of his questions were clarified. However he was not happy to see the tax allocation being set aside and was concerned that if the Gardens were delayed and there was inflation, the 20% set-aside could continue.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 134-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item 5(c) which requests authorization of a Letter Agreement for the fiscal year starting July 1, 1988, in an amount not to exceed \$5,000, with the Information Services Division of the Office of the Controller of the City and County of San Francisco to provide tax information for all Redevelopment Project Areas. The information is used in pursuing tax increment financing strategies and is an invaluable resource of property information integral to the Agency's redevelopment efforts.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 135-88 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item 6(a) which requests authorization of the Sales Program for 16 expandable homes on Innes Avenue in Hunters Point constructed by the Agency for sale to buyers with incomes within 120% of median income and approval of the sales price and payment of certain costs. It was originally anticipated that selling price for the homes would range from \$92,000 to \$104,000 to meet the 120% of median income requirements for a family of two persons. It is now recommended that the homes be sold at full market value, ranging from \$132,000 to \$138,000, with the Agency "taking back" a second mortgage for the difference to

assure that the homes will remain affordable to similar families in the future. Financing is available through the City's 1985 Single Family Mortgage Revenue Bond program, and terms are for 30 years fixed at 9.8% plus mortgage insurance, making the rate 10.5% based on current loan-to-value ratio with a 10% downpayment. Buyers must have income no greater than \$51,000 and be first time home buyers, and the units must be owner-occupied. Since they were constructed with Tax Increment funds, the homes must be sold to buyers with incomes within 120% of area median income and must remain so for at least 10 years. The Agency is recommending the period of affordability be extended to 30 years. The Agency is also recommending various marketing and sales conditions, including the following: 1) Agency will retain an "Option to Purchase" in the deed for a period of 30 years; 2) In order to assist buyers in qualifying within the income guidelines, the Agency will carry a second mortgage for approximately \$34,500, with no interest rate or payment schedule; 3) Agency will pay for all non-recurring closing costs in order to limit the buyers cash requirements to down payment and recurring costs. The Agency's total assistance in paying closing costs and providing a second mortgage will not exceed \$40,000; 4) Sales will be conducted through a lottery with priority given first to (a) Hunters Point "certificate holders," (b) Agency-wide "certificate holders," (c) Hunters Point/Bayview (zip code area 94124) residents, and (d) the general public.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item 6(b) which requests awarding of Contract IIB-PILES in the amount of \$171,000 to Dutra Construction Co. Inc. for the removal and offsite disposal of 88 concrete mooring piles from Docks A and B in South Beach Harbor. After the Harbor opened, it was found that the piles limited the flexibility of berth assignments and restricted the rental of berths to boats with narrow beams. There have been complaints about the piles from renters, and current renters are in favor of their removal. Dutra's bid of \$171,000 was the lowest of the four bids submitted and is 32% below the Engineer's estimate of \$226,000. Dutra's affirmative action and safety programs were found to be satisfactory and accordingly approved by the Agency. Dutra has performed satisfactorily for the Agency as a subcontractor on the Harbor construction contract and has also recently completed work for the Cities of Santa Cruz and Stockton. The Department of Public Works in both cities have expressed complete satisfaction with Dutra's performance.

Mr. Newman inquired if the removal of the piles would accelerate rental of the berths and increase revenues. Mr. Cannizzaro, Project Director of Rincon Point-South Beach, indicated affirmatively, particularly in regard to larger boats. It would also increase the marketability of the berths.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item 6c) which requests authorization of a Tender Agent Agreement with The Bank of New York in connection with the Agency's \$23,900,000 Variable Rate Demand Refunding Bonds, 1986 Issue A (South Beach Harbor Project). The Agency's total cost for these Bonds has averaged approximately 5.58% to date (which is a very favorable interest rate), primarily because the transaction has been structured with a "put option" feature; that is, any bondholder may tender the Bonds back to the Agency through its Tender Agent, J. Henry Schroeder Bank, for repurchase at par on seven days notice. J. Henry Schroeder Bank has recently resigned as Tender Agent, and the Bond Trustee, Seattle-First National Bank, has recommended that The Bank of New York be appointed as successor Tender Agent pursuant to the terms of a new Tender Agent Agreement. As required by the Letter of Credit documents, your approval is expressly subject to the consent of Mitsubishi Bank, which we believe is forthcoming.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 144-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item 6(d) which requests authorization to enter into a Personal Services Contract with Turner Construction Company for Construction Management Services in an amount not to exceed \$595,000 for the design phase of the gardens and cultural facilities on CB-2 and CB-3 in Yerba Buena Center. In order to provide a coordinated oversight for the MCCE, gardens and cultural facilities, the Agency and City staff developed the concept of using one construction management firm to provide overall coordination. After a thorough review and selection process, it was concluded that Turner Construction is the best firm to provide construction management services for Moscone Convention Center Expansion for the design and construction phases. Agency staff agreed with this selection as an appropriate firm to provide the Agency's construction management services. This contract with Turner will cover only the design phase including pre-bidding to be started as soon as executed. A contract for the construction phase will be negotiated later when more definitive construction information is available. The compensation for Turner's services was negotiated using the method of time and materials. The estimated cost includes salary, overhead and direct non-salary expenses for a total amount of \$595,000 and starts on execution and terminates June 30, 1990.

John Cribbs of the CAO's office described the City's selection process that resulted in negotiating a contract with Turner Construction.

Mr. King indicated that their affirmative action program was only satisfactory. John Quinn of Turner Construction indicated that they have a person working full-time to recruit minorities and will continue to increase their efforts in minority hirings.

Ms. Berk indicated that she assume that people are aware that when the Agency awards contracts, the Agency has a responsibility to see that affirmative action goals are met. The Commission appreciated hearing of Turner's efforts in this area.

Mr. Newman inquired if there is a cost savings in the City and Agency using the same construction manager. Mr. Quinn indicated affirmatively.

Mr. Lee indicated that he would abstain from voting due to a conflict of interest and therefore requested a roll call.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Newman
Mr. King

THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Lee

THE PRESIDENT THEREUPON DECLARED THE MOTION CARRIED.

- (e) Mr. Helfeld introduced item 6(e) which requests authorization for an Amendment to the Contract with PERS to provide a contract option for two years additional service credit as an incentive for eligible employees to take early retirement. This is the second and final action required to amend the contract. The first action was taken at the June 7th Commission meeting.

Mr. Helfeld indicated that the Board of Supervisors had delayed voting on the City's early retirement plan until July 5th, when all the Supervisors were expected to be present.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-88 BE ADOPTED.

- (f) Mr. Helfeld introduced item 6(f) which requests authorization for a Letter Agreement to provide the services of an employee and authorization for an expenditure of funds for additional salary and program expenses, all in connection with the Agency's administration of the Mayor's Office of Special Projects. The Mayor's Office has requested that the Agency assume responsibility for the 1988-89 fiscal year for supervising the activity of the staff of the Mayor's Office of Special Projects, which staffs the Relocation Appeals Board, the Temporary Rent Assistance Program and the City Rent Supplement Program. In addition to paying the

Minutes of a Regular Meeting, June 28, 1988

salaries and fringe benefits of two employees, the City has asked the Agency to front up to \$80,000 of the program costs. The Agency will be reimbursed for these costs by the City in the 1989 budget year. The two positions which would be transferred to the Agency are the Relocation Appeals Board Executive Director and a clerk at a cost of approximately \$59,500 and \$28,500 per annum respectively.

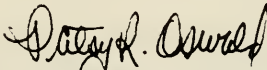
ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-88 BE ADOPTED.

- (g) Mr. Helfeld introduced item 6(g) which requests authorization of funds in the amount of \$1,005 to cover the registration cost for three staff to attend the NAHRO Summer Conference being held in San Francisco July 7-10, 1988. The conference will cover various topics of interest to the Agency. The Commissioners will be invited by NAHRO to attend as Conference guests, and the Agency will participate in the Conference as local host.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: August 23, 1988

NOTE: These minutes are an edited version of the proceedings. A full tape recording of the proceedings is on file with the Agency Secretary.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF JULY, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 5th day of July, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Leroy King
Melvin D. Lee

and the following was absent:

H. Jesse Arnelle (Arrived 4:18 p.m.)
Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: John Cribbs, Chief Administrator's Office; Tony Lumsden, DMJM; David Shapiro, ADCO-FOLSOM; John Elberling, TODCO; Jane Herzog; Ace Washinton, WAPAC; and Sue Bierman, City Planning Commission.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of May 17, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Bayside Village, an 868 unit development, had a very successful Grand Opening on June 22nd. President Newman and Commissioners Berk and King were in attendance, as well as the Mayor and other City officials. Bayside Village has a significant number of dwellings that are affordable in the definitions the City uses. Twenty percent of those dwellings are for low income, 48 percent are moderate and 27 percent are middle, the middle income being defined as between 120 to 150 percent of median. Since the City defines affordable as below one and a half times the median income, Bayside Village is indeed a significant contribution to

that segment of the City's housing requirements with some 95 percent affordable.

- (b) The Museum of Modern Art is having a Press Conference hosted by Mayor Agnos on July 6 at 10:00 a.m. at the War Memorial Veterans Building to announce their plans for a new building in Yerba Buena Center.
- (c) The National Association of Housing and Redevelopment Officials (NAHRO) will be holding its National Summer Conference for Commissioners and Administrators from July 8 through July 10 at the St. Francis Hotel. The Commissioners are invited to attend as guests of NAHRO. The Mayor will address the delegates on July 8 and Congresswoman Pelosi will provide a wrap-up of the meeting on July 10.
- (d) In the Commissioners' folders is a copy of a check for \$1.5 million made out to the City. This is a result of income built up over the years on Agency issued bonds for the City to construct a school, the George Washington Carver School. This lease/revenue arrangement was very similar to the one for the Moscone Convention Center. The \$1.5 million represents income built up over the years that was not needed to service the bonds. Therefore, the Agency is now returning it to the City.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Sixth Amendatory Agreement, which extends the Absolute Conveyance Date and revises certain performance dates to the LDA with WDG-IV Westwood Condominiums for the development of Parcels 683-D(1) and 683-D(2) located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2. Recent groundwater testing disclosed low levels of tetrachlorethylene and benzene from an off-site source. The Developer must check with his lender as well as the California State Department of Real Estate for required public disclosure. Consequently delay is unavoidable on the development of the 38 housing units planned for this site. Staff recommends that the Absolute Conveyance Date be extended until December 28, 1988, and, in turn, evidence of financing and conveyance of the site to November and December 28, 1988, respectively.

Mr. Newman inquired about the delay in going forward with the development and Gene Suttle, Deputy Executive Director, Community Services & Administration, gave a brief history of the property from the time the Carries had exclusive negotiations and were unable to proceed, whereupon Chuck Collins was granted exclusives along with the vacant lot next door. During soils testing toxics were detected in the groundwater, which caused the developer unavoidable delays and now the lender and the California State Department of Real Estate have added to the delay.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests approval of a design concern item of the Preliminary Construction Documents for the expansion of the George R. Moscone Convention Center on the rooftop of Central Block 3 in Yerba Buena Center. One of the conditions of the June 21st approval of the Preliminary Construction Documents was a restudy of the structural truss expression at the north building elevation facing Howard Street. In response to the Agency's and the Commission's concerns regarding de-emphasis of the entry to the new meeting room facility and reinforcing the garden character of the project at Howard Street, Tony Lumsden of DMJM has a proposal which eliminates the truss and basically treats the Howard Street frontage as an integrated, terraced, landscaped and architectural element. Staff will still need to review the design details as they are developed to execute this design concept.

John Cribbs, Chief Administrator's Office, indicated Mr. Nothenberg could not be in attendance today but has approved the changes that were made in response to the Commission's concerns.

Tony Lumsden, DMJM, described the elements of the proposed changes.

Mr. Arnelle arrived at this time, 4:18 p.m.

Mr. Lee thanked staff, architects and the Chief Administrator's Office for responding to the Commission's concerns and congratulated them on the design changes.

David Shapiro, ADCO-FOLSOM development, inquired what the treatment would be for the rooftop and Mr. Cribbs indicated that had not been decided yet. Mr. Helfeld indicated they would consult with Mr. Shapiro when the plans were ready.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 150-88 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS

- (a) Ace Washington, WAPAC, indicated they would be holding a three day conference this month. He noted his concern regarding WAPAC being defunded; job placement; that the Agency only has one Affirmative Action Officer for the Western Addition and should have more; and more affirmative action outlets are needed than the Ella Hill Hutch Community Center; the Agency's Affirmative Action Program is inadequate; issue of need for a list of Certificate Holders.

Mr. Arnelle inquired what the process is when there is a complaint regarding affirmative action and Gene Suttle, Deputy Executive Director, Community Services and Administration, indicated the

process used for different complaints and noted that the nature of all complaints are investigated and resolved in a timely manner, and also that the Ella Hill Hutch Community Center is not the only conduit for hiring.

Mr. Helfeld indicated that a memo had just been sent to the Commission on the Agency's Affirmative Action for Hunters Point, India Basin and the Western Addition and although there is always room for improvement, the Agency is doing very well and the data suggests the Agency's record is reasonably good.

Ace Washington again reiterated his assertion that WAPAC is the official organization for the Western Addition.

Mr. King noted that WAPAC is no longer the official representative for the Western Addition and has not been funded by the Agency for a number of years. It is not the same as years ago when WAPAC was funded by this Agency and after that by the Community Development of the City, which is no longer in effect at this time. The Agency no longer receives money from HUD and is now funded by the City. If there is a complaint, it should be taken to the City. It is not intended to recognize WAPAC alone. There are other community organizations and the Agency recognizes them all. The reason WAPAC was defunded was that there was no money and with the budget cuts in the City there is no money now.

Ace Washington indicated WAPAC would be meeting with HUD and would report back to the Commission.

President Newman indicated that the meeting would be recessed to the Fourth Floor Conference Room for items (c) and (d). The meeting recessed at 4:50 p.m. The meeting reconvened at 4:55 p.m with the same roll call.

- (d) Workshop presentation by Mitchell-Giurgola on further development of a schematic design alternative for the Esplanade in Yerba Buena Center. This is a follow up to the workshop presented in April 1988 when a number of alternatives and potential costs for the design of the Esplanade and the space over Howard Street were presented.

Fred Foote, Larry McEwen and Don Morris made the presentation for the developer and responded to questions from the Commissioners.

- (c) Fumihiko Maki made a presentation on the progress of the schematic design for the North Cultural Building in Yerba Buena Center and answered questions from the Commission and the public.

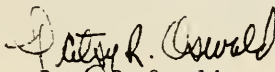
John Elberling posed several questions regarding the Yerba Buena Gardens. Mr. Helfeld indicated that the Commission would not be acting on any items today and suggested this discussion be continued to the meeting of July 12, 1988.

Minutes of a Regular Meeting, July 5, 1988

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: August 23, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file with
the Agency Secretary.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF JULY 1988

OCT 26 1988
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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of July, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Charlotte Berk
Melvin D. Lee
Haig G. Mardikian

and the following absent:

H. Jesse Arnelle
Carl D. Gustavson
Leroy D. King

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Paul Wang, Paul Wang & Associates; Berri McBride and Robert Upton, Summit Partners; Ed Tower, Tower Architects; Robert Meyers, Sara Lee Foods; Derf Butler; Warren Geef, WQS Investments, Inc.; Felix Warburg, Bush Street Synagogue Cultural Center.

Representing the press was: Dan Borsuk, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The San Francisco Museum of Modern Art held a Press Conference on July 6 regarding the site for their new building in Yerba Buena Center.
- (b) A very successful NAHRO Conference was held in San Francisco last week with 750 attendees from across the United States.
- (c) The approximate \$1.37 Million Lease Revenue Bonds for the George R. Moscone Convention Center Expansion will close on July 13, 1988.

- (d) In the Commissioners packets are two items regarding Requests for Qualifications. One is for Parcel 732 in the Western Addition. An analysis was received from the Agency's Real Estate Consultant suggesting that some significant problems with the anchor tenant approach had been voiced and staff is requesting the Commissioners look at that analysis. The other Request for Qualifications is for East Block One which has been received with incredible interest by the development community.

NEW BUSINESS

President Newman indicated that item (a) would be taken up after items (b) through (f) at the request of the developer.

- (b) Mr. Helfeld introduced item (b), which requests authorization to expend funds for mailing for the Board of Supervisors Public Hearing Notices to Property Owners within Project Areas proposed to be Merged. The project areas to be merged are: Embarcadero-Lower Market (Golden Gateway); Hunters Point; India Basin Industrial Park; Rincon Point-South Beach; Yerba Buena Center; and the Western Addition A-2. The California Community Redevelopment Law requires that property owners within the project areas affected by Redevelopment Plan Amendments be notified of the public hearings by certified mail with return receipt requested. Due to the City's budgetary situation, the Board of Supervisors has requested the Agency pay for the necessary mailing of the Board's public hearing notices to be mailed to the 1,855 affected property owners. Copy-Copia/American Business Communications has agreed to perform the necessary mailing services for an amount not to exceed \$4,700. The Board is scheduled to hold the public hearings on the proposed Redevelopment Plan Amendments on August 22, 1988 and the notices will be mailed on August 10th.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 152-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization for payment of premiums amounting to \$9,045 annually for a 3-year period for participation in the Arkwright Mutual Insurance Company's property insurance program through Bay Cities Joint Powers Insurance Authority (BCJPIA). Somewhat lesser coverage is currently provided by eight miscellaneous policies through various brokers and insurance carriers at a cost of \$17,226 per year. BCJPIA has been putting together a property insurance program with Arkwright which will eventually include a pooled loss portion, probably between \$25,000 and \$50,000, and group purchase of excess coverage beyond that level through Arkwright. Until that time each BCJPIA member entity will be offered the coverages directly from Arkwright with a \$5,000 deductible. This program enables the Agency to consolidate and increase all of its property coverages through one carrier at a substantial savings.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests amendment to the Annual Salary Resolution No. 165-87 to provide for pay equity increases for certain classifications and to make certain other changes for the period July 1, 1988 through June 30, 1989. Certain pay equity adjustments and other changes were exempted from the recently approved freeze of salaries for City employees, and these same increases are proposed for comparable Agency classifications. The recommended salaries represent no increase for many classifications, and from 0.5% to 5.0% for others, with most of the pay equity increases at either 4.5% or 5.0%. It is also recommended that the classification of Deputy Director for Fiscal Management and Program Performance be deleted from the Salary Resolution since this position was assigned to the Mayor's Office of Community Development and is no longer needed.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 154-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization for Helen Sause, Project Director, Yerba Buena Center, and James Wilson, Project Director, Hunters Point/India Basin, to travel to New York City, September 22-28, 1988, to attend NAHRO Committee Meetings and Annual Conference at a cost not to exceed \$2,800. Mrs. Sause will attend in her capacity as President of NAHRO and Mr. Wilson will represent the NAHRO Northern California Chapter as Chapter President and as Vice President of the Regional Member Services Committee. In addition to attending Committee meetings and participating in panel sessions, the delegates will have the opportunity to attend a number of panel sessions pertinent to the Agency's programs.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 155-88 BE ADOPTED.

President Newman announced there would be a brief recess. The meeting recessed at 4:20 p.m. and reconvened at 4:23 p.m. with the same roll call.

- (f) Mr. Helfeld introduced item (f), which is a workshop to present three proposals for the development of a residential parcel located on Hudson Avenue between Whitney Young Circle and Ardath Court in Hunters Point. These proposals have been presented to the New Bayview Citizens Advisory Group, who expressed concerns regarding affordability of the proposed homes. Following a review of comments from the public and the Commission, staff will return at a future meeting to recommend a developer for exclusive negotiations. James Wilson, Project Director, Hunters Point/India Basin Industrial Park, introduced the following three developers who presented their proposals: 1) Beacon Heights Associates; 20 Grandland Investment Corp. (Dr. Tsum Nin Lee), Paul Wong and Ling Chen, a joint venture; 3) Summit Partners.

At this time, President Newman announced that item (a) would be heard.

- (a) Mr. Helfeld introduced item (a), which requests an extension of exclusive negotiations from June 22, 1988 to August 17, 1988 with the Western Jewish History Center of the Judah L. Magnus Museum for 1881 Bush Street in the Western Addition A-2. Although all conditions of the exclusive negotiations have now been satisfied including formation of a new entity, namely, the Bush Street Synagogue Cultural Center, an extension is being requested to provide sufficient time to complete all negotiations necessary to reach a mutual agreement as to the provisions of an LDA. The Developer has also expressed a desire to combine the development of the property with the adjacent corner site at 1899 Bush Street, which staff is now evaluating.

Felix Warburg, Bush Street Synagogue Center indicated his support for this item.

Mr. Mardikian indicated that he understood the Synagogue had expressed a desire to combine the development with the adjacent property and inquired what the motivation was and Mr. Warburg indicated that the thinking was that this could be an opportunity for a full blown cultural center and other types of activities could take place in addition to an historic building. There would be parking and handicapped access and funding would be easier to do for a larger project than a smaller project. Mr. Mardikian indicated that the adjacent property is a non-conforming use as a garage and inquired what designated use it had and Mr. Helfeld indicated housing or the Synagogue use would be appropriate.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-88 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which is a workshop on the proposed Mello-Roos Community Facilities District to fund public improvements in the South Beach sub-area of the Rincon Point-South Beach Redevelopment Project. The Commission will be requested to act on a number of related matters in the near future and the workshop is intended to answer questions the Commissioners may have regarding the district. Frank Cannizzaro, Project Director for Rincon Point-South Beach, made the presentation and explained the process.

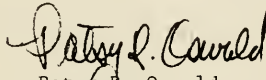
President Newman indicated that the meeting would be recessed to the fourth floor conference room for item (h). The meeting recessed at 5:10 p.m. and reconvened at 5:15 p.m. President Newman left the meeting, therefore there was no quorum.

Minutes of a Regular Meeting, July 12, 1988

(h) Mr. Helfeld introduced item (h), which is a workshop presentation on the schematic design alternative for the Esplanade; Yerba Buena Center. This was a continued discussion from the meeting of July 5, 1988.

The meeting ended at 6:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: August 23, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file
with the Agency Secretary.

R35
#4
7/19/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF JULY, 1988

DOCUMENTS DEPT.

OCT 26 1988

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of July, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Leroy King

and the following were absent:

H. Jesse Arnelle (Arrived 4:15 p.m.)
Carl D. Gustavson
Melvin D. Lee

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Richard Dornhelm, Moffatt & Nichol, Eng.; Randall Evans; Ocie Rogers; M.J. Staymates; George Stewart; Palmer D. Sessel; Joseph Skiffer, Bushmoor Associates; Ace Washington, WAPAC; and Robert T. Wong, AGS, Inc.

Representing the press were: Gerald Adams, San Francisco Examiner; Steve Massey, San Francisco Chronicle; and Jim Kelly, San Francisco Progress.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) With regard to the state of the Agency, it has been determined from the most recent examination that there are some 3,625 new dwelling units currently being constructed under the sponsorship of the Agency. This is more housing than has been underway at any one time in recent San Francisco history. A recent newspaper article noted a reported of the Planning Department which indicated that there substantial construction of rental housing in the City. However, what is most important is that approximately one quarter of these dwellings are for low-income housing. Another 50 percent are for moderate income households for a total of over three quarters of all those dwelling units. An additional percentage are below 150 percent of the median income, which is the City's definition of affordability. This means that currently there are under construction, with some of them beginning to rent-up, a total of 87 percent of affordable housing units that

the Agency is sponsoring. In examining the record of the Agency and its history, some eight years ago the Board of Supervisors approved the Rincon Point-South Beach Redevelopment Project and set goals for the Agency that 50 percent of the dwellings would be affordable. It is important it be known that the Agency is exceeding what it was charged to do by the Board of Supervisors. It seems in recent times there is perhaps a re-examination of this definition of affordability which clearly should be lower and not 150 percent of median income. The fact remains that the Agency has lived up to what it was charged to do. However, the irony is that the Agency is facing a very serious financial situation because there is not enough federal money or land sales proceeds to keep going with this kind of program; to complete the existing projects now underway; to take on new assignments from the City; and to generate additionally more housing. As the Commissioners are certainly aware, the key to be able to do all these things is the merger which is set for a public hearing on August 22nd before the Board of Supervisors. This leads to the use of future tax increments to help provide a substantial increase in the housing program to complete current projects and to undertake work in new areas such as Fisherman's Wharf and South Bayshore. There will be a workshop on August 9th to review again the long range financial plan, the housing plan and the 1989 budget which would be the first budget utilizing tax increment to a substantial extent, hopefully with action by the Commission on August 16th. To receive direction, there will be meetings with the Mayor's Office within the next two weeks. The Agency will be going through a very important period during the next thirty days.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to advertise a contract for the demolition and site clearance of 1956-1960 Sutter Street in the Western Addition A-2 at an estimated cost of \$20,000. Except for brief periods, this three-story wood frame structure has been vacant since December 1984 and has numerous code deficiencies related to plumbing and electrical systems and structural integrity. The building has no significant architectural merit and is economically infeasible to rehabilitate. Break-ins into the vacant building are frequent causing potential liability problems. When this matter was previously brought before the Commission in May 1986, the adjacent property owner expressed concern regarding the potential security problem for her if the building were demolished and the lot left open for a long period of time, and Resolution No. 139-86 passed at that time thus included a stipulation for coordination of demolition with the commencement date of new construction. It is now recommended that that resolution be superseded, as staff is currently reviewing proposals for incorporating this site into Phase II of the Amelia, the adjacent condominium complex, which could result in a better development. To provide security for the adjacent property owner, the contract will include erection of a fence.

Joseph Skiffer, Bushmoor Associates, and on behalf of Bob Davis, spoke in support of item (a). He indicated construction of Phase II of the Amelia could probably be started within four months and demolition is needed in order to proceed with surveys and soils testing, thereby expediting the development program.

Mr. Arnelle arrived at this time, 4:15 p.m.

Mary Jane Staymates indicated she was opposed to the demolition contract because there are no complete plans for development of this site. Also the existing building provides better security than would a vacant lot. She indicated a group of neighborhood resident professionals have formed a tentative limited partnership and would like the time and cooperation of the Agency to pursue plans to return 1956-60 Sutter to its original condition and use. Mrs. Staymates requested a sixty day extension of the proposal to allow time to thoroughly investigate the possibility for rehabilitation and for the neighborhood residents to select an attorney to protect their interests.

Ace Washington, WAPAC, indicated that WAPAC would like an opportunity to become the developers of the building and therefore are in support of delaying its demolition.

Randall Evans indicated he was opposed to demolition of the building and noted his concern that the proposed developers of the parcel have not done anything towards community benefit programs and concrete benefits for black people.

Palmer D. Sessel indicated that he was not opposed to ultimate demolition, however, he would oppose any demolition which is not an integral part of a plan for subsequent utilization of the site. He requested the Commissioners deny authorization at this time to advertise a demolition contract; re-affirm their commitment, as expressed in Resolution No. 139-86, requiring that demolition, if any, be coupled with approved plans for replacement construction and that such plans be made available in advance for consideration by neighborhood residents; instruct staff that, in future, any proposal regarding this property be made available allowing adequate time for review by appropriate interested parties, including the owners of adjacent properties.

George Stewart indicated he was opposed to demolition until plans are in place and construction ready to proceed. He noted his concern that the neighborhood had not been informed of the proposed demolition and requested that the neighborhood residents be properly noticed of future plans for the site.

Mr. King inquired if the immediate community had been notified regarding demolition of the building and Gene Suttle, Deputy Executive Director, Community Services and Administration, indicated a letter dated July 15, 1988, had been sent to all the neighborhood groups. Normally neighborhood associations are

Minutes of a Regular Meeting, July 19, 1988

notified but not property owners individually. The July 15th letter had been hand delivered to Mrs. Staymates.

Upon inquiry from Mr. King regarding Mr. Skiffer's statement that he would be able to start construction within four months, Mr. Helfeld indicated he would have to check into this. He noted that he would like to make it clear that, in accordance with the Agency's policies, any internal discussion of design would not be brought before the Commission until it has been shared and reviewed by neighborhood groups.

Darby Kremers, Senior Development Specialist, indicated that several months ago Mr. Skiffer had been given a list of conditions to be met before the Agency would consider adding the WAPAC site to his existing site. All those conditions have been met with the exception of a few minor items regarding his basic concept drawings for adding that additional site. Mr. Skiffer advises that he and his architect will be back next week with plans that respond to those concerns. The next steps would be to calendar the matter at an Agency meeting within the next three to four weeks for inclusion of the WAPAC site in the existing lot Mr. Skiffer already has.

Mr. Newman inquired who owns the WAPAC building and Mr. Skiffer's rights to it. Mrs. Kremers indicated that the Agency owns the building and at this point Mr. Skiffer has no legal right. He has requested the opportunity to add that site to his existing lot. If he submits a concept plan that staff finds acceptable, and after the appropriate neighborhood review, staff would then come before the Commission and request it be added to his existing lot.

Mr. Newman inquired if others could also come forward with proposals and Mrs. Kremers said there would be nothing to prevent that at this point.

Mr. Mardikian noted that the Commission had approved Resolution No. 139-88 stating conditions pursuant to demolition and he had not heard anything today to make him change his mind.

Ms. Berk noted that the community has indicated they are not opposed to demolishing the building but they do want alternatives considered and input for plans for the site if demolition is to occur. She therefore agreed with Mr. Mardikian that Resolution No. 139-86 remain in effect.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT STAFF'S REQUEST, RESOLUTION NO. 156-88, TO ADVERTISE A CONTRACT FOR THE DEMOLITION OF 1956-60 SUTTER STREET BE DENIED.

President Newman indicated there would be a brief recess. The meeting recessed at 4:40 p.m. and reconvened at 4:42 p.m.

Minutes of a Regular Meeting, July 19, 1988

Mr. Helfeld said it was clearly the desire of the Commission that a proposal for demolition should not be brought forward until the Commission has acted on a development proposal. Staff has not sought to go out into the marketplace for rehabilitation proposals because analysis shows it would be economically infeasible. It is suggested staff seek a new proposal which would replace this building.

It was the consensus of the Commission that the building not be demolished without a developer in place and the information on the feasibility of rehabilitating the existing building be updated.

Mr. Helfeld indicated the requested information would be provided to the Commission.

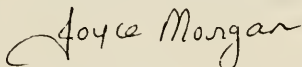
- (b) Mr. Helfeld introduced item (b), which requests authorization to negotiate nine Professional Services Contracts with selected consultant firms to assist in the preparation of the Fisherman's Wharf Development Program. The Agency received 122 Statements of Qualifications and, after a screening process conducted by representatives of the Port of San Francisco, the City Planning Department, the Public Works Department, the California Coastal Conservancy, the Agency and the Fisherman's Wharf Citizens Advisory Committee, 49 firms were selected to be interviewed. Interviews were conducted by panels composed of the same persons who were involved in the screening process, as well as persons from the City's Human Rights Commission and the Agency's Affirmative Action Officer. Authorization is also requested to negotiate with additional consultant firms according to their ranking and their MBE/WBE status in the event contract negotiations are unsuccessful with any of the selected firms. After review and approval of affirmative action programs and successful contract negotiations, staff will request the Commission's approval of specific contracts.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-88 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,



Joyce Morgan
Acting Agency Secretary

APPROVED: September 13, 1988

NOTE: These minutes are an edited version of the proceedings. A full tape recording of the proceedings is on file with the Agency Secretary.

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7/29/88

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF JULY, 1988

OCT 26 1988

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 10:30 o'clock a.m. on the 29th day of July, 1988, the place and date duly established for the holding of such a meeting.

The By-Laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Charlotte Berk, Temporary President
Carl D. Gustavson
Leroy King
Melvin D. Lee

and the following were absent:

Walter S. Newman, President
Haig G. Mardikian, Vice President
H. Jesse Arnelle

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present was: Steve Casaleggio, Jones, Hall, Hill & White.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Edward Helfeld, reported to the Commissioners on the following matter:

- (a) The Commissioners have approved the project merger which is scheduled to be before the Planning Commission on August 11 and before the Board of Supervisors on August 22. On August 16 it is anticipated that staff will recommend to the Commission policy positions in terms of housing programs and a long term financial program which essentially relate to the future of the Agency and its future role. No meetings will be held on August 2 and 9 due to lack of a quorum. However, it is hoped to hold a public workshop during the week of August 8 at which no official action would be taken to provide an opportunity for those Commissioners who are available to hear from a variety of groups about the merger, the housing program and future programs of the Agency.

NEW BUSINESS

- (i) Mr. Helfeld introduced item (i), which requests resolution of intention to establish a Community Facilities District and to authorize the levy of a special tax pursuant to the Mello-Roos Community Facilities Act of 1982; and appoints the law firm of Jones, Hall, Hill and White as Bond Counsel to the Agency in connection with the District and the bond sale.
- (ii) Mr. Helfeld introduced item (ii), which requests resolution of intention to incur bonded indebtedness pursuant to the Mello-Roos Community Facilities Act of 1982.

Both items relate to actions to initiate the formation of Community Facilities District No. 1 (South Beach) in Rincon Point-South Beach. The Resolutions schedule public hearings, immediately after the close of which, the Commission will be requested to adopt resolutions to form the District, to set a ballot election, and to take related actions. If the District is approved by two thirds of the electors, the Agency may sell bonds to finance the contemplated improvements. The Agency's ability to sell these bonds must be approved by the Board of Supervisors. The boundaries of the District include only private property, the owners of which have petitioned the Commission to form the District. However, there are public parcels, not within the District, which will benefit from the improvements and maintenance service for which the Agency obligates itself to pay the apportioned costs. In addition to the improvements, the District will fund maintenance services by a separate special tax. The services will generally include maintenance of landscaping, special street and plaza furniture and special pavements, all of which is beyond that which would be performed by the City. Of the total estimated costs of improvements of \$8.6 million, the Agency would pay approximately \$2.7 million from budgeted funds as its share of the public parcels' benefitted costs that would be paid in advance by the Agency from budgeted funds. This Agency share does not include the 14 percent bond sale cost and amounts to 36 percent of the total before those costs are considered. The maintenance for the first year is estimated at \$100,000 of which the Agency will contribute approximately \$36,000 and thereafter the maintenance obligation will vary subject to a budget to be determined annually by the Commission. The Agency's contribution is expected to remain at the same level for the first five years and will be funded from monies budgeted for that purpose, which will be offset by rental revenues from Agency properties that are leased to developers within the Rincon Point-South Beach Project Area. Completion of all street, plaza and utility improvements is anticipated in early 1989 and the portion of the South Beach Park funded by the District in late 1989. The Agency may construct or cause to be constructed all infrastructure improvements within the Redevelopment Project Area, but does not have sufficient budgeted funds to do so. Two active developers and three potential developers within

the project area are willing to pay for public improvements beyond their obligation, in order to enhance the marketability or development potential of their properties. The Agency owns certain parcels and controls others under its Option to Lease Agreement with the Port and its participation in the District is proportional to the benefits bestowed upon these parcels by the improvements. Although these parcels are outside the District boundaries, the Agency's obligations are established in various documents supporting its formation. Maintenance may be accomplished by a landowner Association. The funding capability is established within the District as a guarantee of maintenance. The Agency will participate in the maintenance in proportion to the frontage it controls adjacent to the improvements. The Agency's portion will be paid as a Property Management expense funded from revenues realized from the lease of these parcels to developers.

Mr. Helfeld left the meeting at this time, 10:45 a.m., and Redmond Kernan, Senior Deputy Executive Director, took the remainder of the meeting.

Steve Casaleggio, Jones, Hall, Hill and White, noted changes that had been made to Resolution Numbers 158-88 and 159-88 and described in detail the process to be followed in order to form the Community Facilities District.

In response to inquiries from the Commissioners, Mr. Casaleggio explained the mechanics of the bond sales and gave the background of the Mello Roos Act.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 159-88 BE ADOPTED.

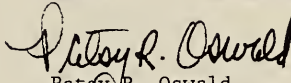
Temporary President Berk announced that, at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(b)(1).

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to Closed Session on litigation. The meeting adjourned at 11:02 a.m.

Minutes of a Special Meeting, July 29, 1988

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: September 13, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file with
the Agency Secretary.

SF
R35
4
8/16/88

MINUTES OF AN ADJOURNED REGULAR MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF ~~SAN~~ FRANCISCO HELD ON THE
16TH OF AUGUST, 1988

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OCT 26 1988

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of August, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Leroy King

and the following were absent:

H. Jesse Arnelle (Arrived 4:32 p.m.)
Carl D. Gustavson
Melvin D. Lee

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Douglas Jenkins; Essie Collins; Margaret Verges, Coalition of San Francisco Neighborhoods; Paul Lucas, Von Otter Development; Michael Fumara; Roger Sramek, GSI Holdings; Tony Lumsden, DMJM; John Cribbs, Chief Administrator's Office; Ace Washington, WAPAC; Ocie Rogers; Juanita Taylor.

Representing the press were: Dan Borsuk, San Francisco Progress; Alan Temko, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of May 24, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of May 31, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Mardikian, and unanimously carried that the minutes of the Regular Meeting of June 7, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of June 14, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of June 7, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Staff has been pursuing with the Mayor's Budget Office, the Agency's program and budget for 1989 and future years. It would appear that the Mayor will support and propose an Agency program that includes a major new housing initiative as well as continuing the Agency's ongoing programs. The schedule is such that an action must take place at the end of September to establish a tax increment debt. Predicated on that, a revised budget will be brought before the Commission, the original of which was provided six months ago, plus two policies that relate to the programs of the Agency, one on housing and one on economic development. Because a number of community groups may wish to be heard by the Commission a meeting location at the State Office Building, 505 Van Ness, on August 23rd at 4:00 p.m. has been established. It is emphasized that it is a very important meeting and recently a question on whether there will be quorum has arisen. Therefore, if it becomes necessary, a special meeting will be called for August 22nd which is the date the Board of Supervisors are scheduled to open a public hearing on the merger. They may take testimony but would extend the final action and perhaps more testimony until September 12th. This is so that the Board can also deal with the budget. The anticipated schedule is that the budget would be approved by the Commission on August 23rd, be transmitted to the Board of Supervisors on August 24th and be referred to Committee at the Board's August 29th meeting. It would then be heard by the Finance Committee on September 7th and by the full Board of Supervisors on September 12th. That leaves only two weeks in case there is a postponement and so the schedule is very tight. This has occurred because the City budget was only recently resolved and the Budget Office could not pay attention to Agency matters until that was settled.
- (b) Before the end of this month, developer proposals on Parcel 732 in the Western Addition will be received. Significant community interest is expected and it will be arranged for the developers to make their presentations to the Commission and the community at the College of Podiatric Medicine, 1835 Ellis Street, August 30, 4:00 p.m.

President Newman announced that the location of this meeting of August 16, 1988, was changed from Room 282, City Hall, to the Fourth Floor Conference Room of the Bay Area Air Quality Management District's Office.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of certain design concerns relating to the Preliminary Construction Documents for the expansion of the Moscone Convention Center on the rooftop of Central Block 3 in Yerba Buena Center. These design concerns were part of the June 21, 1988 conditional approval of the PCD's for the Central Block 3 (CB-3) meeting rooms of the Convention Center. At the meeting of July 5, 1988, resolution of one of the design concern items was approved which involved the design expression of the north building elevation facing Howard Street. Subsequently, Anthony Lumsden of DMJM met with Agency staff proposing resolutions to the design concerns related to the exterior building elevations. General approval of the proposed design resolutions is recommended with the understanding that staff will continue to work with the City's architectural team to assure the successful detailed development of the design concepts. The architects have been concentrating on resolution of the design concerns related to the CB-3 meeting rooms building exterior so that sufficient architectural and structural drawings can be prepared to obtain early bids on the required structural steel. The proposed resolution of the design concerns are: the architects have resolved the dichotomy of the stepped roof and domed roof forms by eliminating the dome; in terms of the relationship of the building to the gardens, there has been major emphasis on redesigning the west wall to incorporate landscape planters in the stepped roof areas and a major planting area adjacent to the pedestrian walkway connecting CB-2 and CB-3; additional planters with landscaping have been incorporated into the design of the curvilinear emergency exit stairs along Third Street, resulting in a better integration of this strong architectural element into the overall landscaped berm design for the project; the major proposed exterior materials are a pre-cast concrete, matching the Davies Symphony Hall in color and texture, and "Solex" vision glass, however, final approval is subject to a review of the materials in a large scale mock-up in the field; the architects are reducing the apparent scale of the large piers at Folsom Street utilizing very large scale horizontal joints to create a strong pattern of shade and shadow on the surface. There are two other design concerns regarding the design of the roof surface and the landscape plan for the entire project. John Cribbs, Chief Administrator's Office, and Tony Lumsden, DMJM, were present to answer questions.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Professional Services Contract with AGS, Inc. (MBE/Asian) for Civil/Structural Engineering Services in an amount of \$47,800.
- (c) Mr. Helfeld introduced item (c), which requests authorization of a Professional Services Contract AGS, Inc. (MBE/Asian) for Geotechnical Engineering Services in an amount of \$30,640.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Professional Services Contract with Recht Hausrath & Associates (WBE) for Land Development Economics and Public Finance Services in an amount of \$85,000.
- (e) Mr. Helfeld introduced item (e), which requests authorization of a Professional Services Contract with Keilani Tom Design Associates (MBE/Asian) for Graphic Dedsign Services in an amount of \$30,000.
- (f) Mr. Helfeld introduced item (f), which requests authorization of a Professional Services Contract with Hargreaves Associates for Landscape Design Services in an amount of \$47,500.
- (g) Mr. Helfeld introduced item (g), which requests authorization of a Professional Services Contract with Don Todd Associates (MBE/Black) for Cost Estimating Services in an amount of \$15,000.
- (h) Mr. Helfeld introduced item (h), which requests authorization of a Professional Services Contract with Skidmore, Owings & Merrill, Inc. for Urban Design Services in an amount of \$95,000.
- (i) Mr. Helfeld introduced item (i), which requests authorization of a Professional Services Contract with Environmental Science Associates, Inc. for Environmental Analysis Services in an amount of \$150,000.

These actions are pursuant to authorization granted in July 1988 to negotiate Professional Services Contracts related to the preparation of a Development Program for Fisherman's Wharf Survey Area. These firms were selected as a result of an extensive process involving several City Departments, the Port of San Francisco, the California Coastal Conservancy and the Fisherman's Wharf Citizens Advisory Committee. All contracts will be performed on a time and material basis and all work will be performed in approximately six months from the date of execution of the contracts. The Port of San Francisco and the California Coastal Conservancy are in the process of committing to provide funding for these contracts in an amount of approximately \$100,000. The balance will be provided by Agency funds which have been budgeted for this purpose. The Commission has been provided with the affirmative action efforts of each firm which amount to \$99,540 or 20% for MBE and \$85,000 or 17% for WBE. It is requested that items (f) and (i) be continued to the meeting of August 23, 1988, to work out issues of liability and affirmative action.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 161-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 162-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND

UNANIMOUSLY CARRIED THAT RESOLUTION NO. 163-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 164-88 BE ADOPTED.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER THAT ITEM (f), RESOLUTION NO. 165-88, WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 166-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 167-88 BE ADOPTED.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (i), RESOLUTION NO. 168-88, WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (j) Mr. Helfeld introduced item (j), which requests authorization of a Third Amendatory Agreement, which extends the Completion Date from July 28, 1988 to December 28, 1988, to the LDA with Von Otter Development for 1917 Ellis Street in the Western Addition A-2. An LDA, authorized in July 1986, called for completion within twelve months, however, to date, only approximately 65 percent of the work is complete. Completion has been delayed due to changes to the original building design and materials; a complete automatic sprinkler system as required by the Fire Department; and to disputes among the general partners, which differences they now believe can be resolved. The general partners, their contractor and lender have been advised of staff's concern regarding timely completion of the project and have indicated it is anticipated rehabilitation can be completed within the requested extension period.

Paul Lucas, Von Otter Development, requested approval of the Amendment.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-88 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization of Exclusive Negotiations, until November 16, 1988, with GSI Holdings, for the development of Parcel S-6 located on Newcomb Avenue at La Salle Avenue in Hunters Point. It is proposed to construct thirty 3-bedroom, 2.1/2 bath units with estimated sales prices ranging from \$169,000 to \$176,000. It is the objective of the Agency to achieve affordable sales prices for the units and staff will discuss with the Developer the mechanisms available to the Agency to make these units affordable to purchasers with moderate incomes that are below 120% of the median income for San Francisco. These methods could include public improvement costs

and certain development fees that may be absorbed by the Agency as well as a land price write-down. The proposal was provided to the New Bayview Committee and concern was expressed regarding site density. This concern as well as other issues will be addressed during the exclusive negotiations period. Mr. Miguel Perez, the owner of MAPCO Construction and a general partner of GSI Holdings, will be the general contractor and construction manager. As a contractor MAPCO has successfully completed a number of residential and commercial developments.

Ocie Rogers requested information on the development and Roger Sramek, representing GSI Holdings, described the development.

Mr. Arnelle arrived at this time, 4:32 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-88 BE ADOPTED.

- (1) Mr. Helfeld introduced item (1), which requests authorization of Exclusive Negotiations, until November 16, 1988, with Future Perfect, Inc., for the development of Parcel AA-2 located on Keith Street between Hudson and Fairfax Avenues in Hunters Point. It is requested that this item be continued to the meeting of August 23, 1988.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (1), RESOLUTION NO. 171-88, WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (m) Mr. Helfeld introduced item (m), which requests authorization of Exclusive Negotiations, until October 12, 1988, with Chong Wong and Matthew Huey for 1905-1907 O'Farrell Street in the Western Addition A-2. Rehabilitation Offering No. 26 was made under the Agency's Certificate of Preference Program which provides that residential and business certificate holders shall have priority over any property owner non-occupant certificate holder in purchase of the property. At a public opening of bids on July 21, 1988, five bids were received from certificate holders and seven from non-certificate holders. Based on the selection criteria of the Offering, the bid of \$85,388 from Chong Wong and Matthew Huey is considered to be the highest qualified bid. As an A-2 Residential Certificate Holder, Mr. Wong will hold 51 percent ownership interest and Mr. Huey the remaining 49 percent. The bid response included satisfactory evidence of financial capacity and experience to undertake rehabilitation of this two-story Victorian as two residential rental units.

ADOPTION: IT WAS MOVED BY Mr. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 172-88 BE ADOPTED.

- (n) Mr. Helfeld introduced item (n), which requests authorization of a First Amendment to Hazardous Materials/Waste Consulting Contract HM/WC-1 with Harding Lawson Associates for services in All

Redevelopment Project Areas. In recent months contaminated soil and ground water has been encountered on Agency-owned property, parcels under LDA's and Port properties wherein the Agency holds options to lease. With approximately 40 more sites designated for development, additional funds are needed to complete ongoing investigations and provide the capability to determine corrective measures on other sites when contaminated soils or ground water are identified. Harding Lawson has performed its work effectively and made satisfactory efforts to meet the Agency's affirmative action goals. The Amendment will increase the contract amount by \$50,000 for a total of \$80,000.

Michael Fumara; and Margaret Verges, Coalition of San Francisco Neighborhoods, noted their concerns and requested further information on the Agency's toxic matters.

President Newman requested staff report back to the Commission regarding this matter.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 173-88 BE ADOPTED.

- (o) Mr. Helfeld introduced item (o), which requests authorization to Amend the Annual Salary Resolution No. 154-88 to adjust the compensation for the classification of the Harbor Office Manager. Since this position was created, it has evolved from being mainly a clerical assignment to one requiring a higher degree of responsibility, particularly with respect to marketing and leasing of berth space, development of administrative procedures, implementation of computer systems, and initiation of action against delinquent accounts. The meet and confer process with Local 790 has now been completed and a 10 percent increase, effective July 1, 1988, is proposed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 174-88 BE ADOPTED.

Juanita Taylor, in connection with items (k) and (l), inquired what is being done to involve the community and assist low income persons.

Mr. Helfeld suggested Ms. Taylor discuss these matters with James Wilson, Project Director, Hunters Point.

- (p) Mr. Helfeld introduced item (p), which requests authorization to pay \$5,979.37 to Lewis M. Merlo, Inc. for Emergency Sewer Repairs at the Agency-owned open space parcel located on Garlington Court adjacent to La Salle Apartments in Hunters Point. The open space areas located within a number of low to moderate income housing sites in Hunters Point were originally to be maintained by the City, however, these areas are now being deeded to the various site's non-profit sponsors. Although staff is negotiating with the sponsors for the La Salle Apartments site and expects an early resolution of the matter, agreement to the transfer has not yet been reached. Following a telephone call in March 1988 from the

Manager of the La Salle Apartments reporting flooding in the open space area, it was determined that the breakage was sending raw sewage onto the adjacent properties and creating a health hazard. Staff therefore advised the Manager to call a plumbing company to have the repairs made and have the company bill the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 175-88 BE ADOPTED.

- (q) Mr. Helfeld introduced item (q), which requests authorization of a new Personal Services Contract with Pluralist Systems Incorporated (PSI) for Economic Urban Land Consulting Services in an amount of \$40,000 for All Redevelopment Project Areas.
- (r) Mr. Helfeld introduced item (r), which requests authorization of a Sixth Amendment, which increases the amount payable by \$40,000 and makes certain other changes, to the existing Personal Services Contract with Mills-Carneghi-Bautovich, Inc. (MCB) for Reuse Appraisal Services for All Redevelopment Project Areas.

Real Estate consulting services are needed immediately to assist in an analysis of the proposals for Parcel 732 in the Western Addition A-2 and it is proposed to enter into a contract with PSI, a black woman-owned firm, located in the India Basin. PSI's extensive experience includes working with local governments throughout the United States on economic development program analyses, market and economic feasibility analyses. The firm is therefore well qualified to assist with the RFP's for Parcel 732. PSI will also be requested to evaluate proposals for the development of the old Hunters Point School 2 site; evaluate developer proformas for the development of the remaining residential sites in Hunters Point and the Western Addition A-2; and make recommendations regarding Agency programs to facilitate economic development by MBE/WBE's. Reuse real estate appraisal services are required in all project areas to provide the Agency with independent appraisal valuations for properties to be sold. The continued services of MCB are necessary as they are one of the Agency's principal reuse appraisal firms for complex commercial/retail/residential properties. The amendment will increase the contract amount by \$40,000 for a total of \$233,000. The firm's affirmative action efforts have been monitored and are considered to be satisfactory.

Michael Fumara inquired why these services are being contracted out when the work could be performed cheaper by staff and the City.

Mr. Helfeld indicated that outside consultation is needed for real estate analysis and City Planning is performing some of the services that are not under contract.

Mr. King requested that item (q) be continued to the meeting of August 23.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (q), RESOLUTION NO. 176-88, WOULD BE CONTINUED FOR ONE WEEK AT THE REQUEST OF MR. KING. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 177-88 BE ADOPTED.

- (s) Mr. Helfeld introduced item (s), which requests authorization to amend Resolution No. 158-88 changing the location for a public hearing to establish Mello-Roos Community Facilities District and to authorize the levy of a special tax pursuant to the Mello-Roos Community Facilities Act of 1982; Rincon Point-South Beach.
- (t) Mr. Helfeld introduced item (t), which requests authorization to Amend Resolution No. 159-88 changing the location for a public hearing to incur bonded indebtedness pursuant to the Mello-Roos Community Facilities Act of 1982; Rincon Point-South Beach.

Because the 7th Floor Conference Room at 939 Ellis Street will not be available on August 30th, arrangements have been made to hold the hearings at the California College of Podiatric Medicine, Main Auditorium, 1835 Ellis Street, San Francisco. The starting time of the meeting remains unchanged at 4:00 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 179-88 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Helfeld introduced item (a), which requests adoption of Further Conditional Recommendations regarding Merger of the Six Merger Amendments acted on by the Agency on March 15, 1988.

Mr. Borregard, Agency General Counsel, reported on item (a). On Monday, August 15, the City Attorney's Office advised that they did not believe the Golden Gateway or the India Basin Industrial Park Project areas qualified for inclusion in the Merger Amendment. In accordance with Brown Act regulations, a determination needs to be made by the Commission that a necessity arose, after posting of the Agenda on August 12, 1988, for this off-agenda item.

MOTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT, IN ACCORDANCE WITH THE BROWN ACT REGULATIONS, IT HAS BEEN DETERMINED THAT A NECESSITY TO ACT ON THIS MATTER AROSE AFTER POSTING OF THE AGENDA ON AUGUST 12, 1988.

Mr. Borregard indicated that it is his opinion, and that of Agency outside counsel, Mr. Joseph Coomes, that these project areas are properly included in the merger amendment.

Mr. Borregard then read Resolution No. 180-88 into the record: "FURTHER CONDITIONAL RECOMMENDATIONS REGARDING MERGER OF THE SIX MERGER AMENDMENTS ACTED ON BY THE AGENCY ON MARCH 15, 1988 - WHEREAS, the Agency Commission has been advised by Agency General Counsel after discussions with the City Attorneys' Office that the City Attorneys' Office is of the view that both Embarcadero-Lower Market Approved Redevelopment Project Area E-1 and the India Basin Industrial Park Project Area may not be legally included in the proposed merger of the redevelopment project areas previously approved and recommended by this Commission on March 15, 1988; and WHEREAS, the Agency Commission has also been advised by Agency General Counsel that said Counsel believes such view of the City Attorney's Office is in error and that further discussions with the City Attorney's Office may resolve the issue; now, therefore, be it RESOLVED, by the Redevelopment Agency of the City and County of San Francisco that in the event the City Attorney of the City and County of San Francisco renders a formal opinion to the Board of Supervisors of the City and County of San Francisco that both or either the Embarcadero-Lower Market Approved Redevelopment Project Area E-1 and the India Basin Industrial Park Redevelopment Project Area may not be legally included in the merger of the six project areas approved and recommended by the Agency, then and in such event, at said time, the Executive Director of the Agency be and he is hereby authorized to convey to the Board of Supervisors the recommendation that both or either of said project areas that the City Attorney has opined may not be legally included in the merger of the project areas be deleted from the Merger Amendments before the Board of Supervisors, and in such event the recommendation transmitted by the Executive Director is and shall be deemed to be the recommendation of the Redevelopment Agency of the City and County of San Francisco."

Ms. Berk inquired why the City Attorney wants to delete these two projects.

Mr. Borregard indicated that the objection by the City Attorney's Office relates to the Merger Statute requirements for finding blight and the fact that it states that a redevelopment project cannot be created merely to get its tax increment. Each of the redevelopment projects had a finding of blight when adopted and therefore it is his opinion that the section relating to the initial adoption of the redevelopment plans does not apply in this case and that the merger is necessary for effective redevelopment.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 180-88 BE ADOPTED.

Mr. King left at this time, 5:45 p.m.

Minutes of a Regular Meeting, August 16, 1988

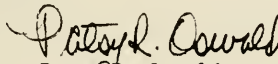
PERSONS WISH TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

Ace Washington appeared before the Commission and requested access to WAPAC records in the WAPAC building. He also requested further information on the merger.

ADJOURNMENT

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: October 11, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file
with the Agency Secretary.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF AUGUST, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting in the Auditorium of the Governor Edmund G. "PAT" Brown Building, 505 Van Ness Avenue, San Francisco, California at 4:00 p.m. on the 23rd day of August, 1988, the place and date duly established for such a meeting.

The President called the meeting to order and on roll call the following answered present:

- Walter S. Newman
- H. Jesse Arnelle
- Charlotte Berk
- Leroy King

and the following were absent:

- Haig G. Mardikian, Vice President
- Carl D. Gustavson
- Melvin D. Lee

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Berri McBride and Robert Upton, Summit Partners; Fred Hubbard, Western Addition Senior Citizens' Center, Inc; Leslie Wells, Pluralist Systems Incorporated; Rene Casenave, Council of Community Housing Organization; Katherine Nash; Douglas Jenkins; Dr. Rhody McCoy, Future Perfect, Inc; Gilbert Chan, Urban Designs; Ace Washington, WAPAC; Mary Helen Rogers; Essie Collins; John Elberling; Nathaniel Mason, Fillmore Center Project; Yvette McCoy and Jamie Lockett, Progress 7.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of June 28, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of July 5, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of July 12, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Mayor has requested that the Agency's Merger Legislation and Plan Amendment be tabled. It is hoped over the coming months to persuade the Mayor's Office and others involved that the merger is an advisable procedure to implement.
- (b) The Agency's next meeting on August 30, 1988, will be held at the College of Podiatric Medicine, 1835 Ellis Street, San Francisco. At this meeting developers will present their proposals for the development of Block 732 in the Western Addition A-2.
- (c) The Yarborough and Collins rehabilitation of five units at 1401-1405 Gough Street is substantially complete. There will be an open house on August 31 from 3:00 to 6:00 p.m. to celebrate that completion.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests a contract with Hargreaves Associates, Inc. for Landscape Design Services in an amount of \$47,500 in connection with the Development Program for the Fisherman's Wharf Survey Area.
- (b) Mr. Helfeld introduced item (b), which requests a contract with Environmental Science Associates, Inc. for Environmental Analysis Services in an amount of \$195,000 in connection with the Development Program for the Fisherman's Wharf Survey Area.

Both items were continued from the meeting of August 16, 1988, when six other contracts were approved. A minor technical issue regarding liability has now been resolved with respect to the Hargreaves contract. A contract amount of \$195,000 has been negotiated with Environmental Science Associates which is \$45,000 higher than originally anticipated. However, this is a preliminary contract cost which will be finalized when the land use planning alternatives are agreed upon. The additional costs were necessitated by the heavy amount of work to be performed by the traffic sub-consultant. The affirmative action programs which have been sent to the Commission have been examined and are reasonable.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, THAT RESOLUTION NO. 165-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 168-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of Exclusive Negotiations, until November 16, 1988, with Future Perfect, Inc. for the development of Parcel AA-2 located on Keith Street between Hudson and Fairfax Avenues in Hunters Point. This item was continued from the meeting of August 16 at staff request. Future Perfect proposes to construct 74 single level units (flats) in two and three story configurations with elevators over covered garages. The development will include 108 parking spaces and a landscaped courtyard area. A large majority of the units are expected to be 2-bedroom, 2-bath at an estimated sales price of \$155,000 which will require that a family of four have an income of approximately \$55,000. During the Exclusive Negotiations, staff will discuss with the developer the mechanisms available to the Agency to make these units affordable to purchasers with moderate incomes that are below 120% of the median income for San Francisco and these methods could include public improvements costs and certain development fees that may be absorbed by the Agency as well as a land price write-down. The New Bayview Committee has been advised that a proposal has been received for the development of the site and that staff had concerns relating to the project's layout, design and density that would be resolved in consultation with the Committee during the exclusive negotiations period. Dr. McCoy, President of Future Perfect, has retained Randy Jackson as Project Manager who has over twenty years of construction management and building experience and Michael Willis, a minority architect, who has designed a variety of housing and commercial projects, including the Ella Hill Hutch Community Center renovation

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 171-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Personal Services Contract with Pluralist Systems Incorporated (PSI) for Economic Urban Land Consulting Services for All Redevelopment Project Areas. This item was continued from the meeting of August 23. Real estate consulting services are needed immediately to assist in an analysis of the proposals for Parcel 732 in the Western Addition A-2 and it is proposed to enter into a contract with PSI, a black woman-owned firm, located in the India Basin. PSI's extensive experience includes working with local governments throughout the United States on economic development program analyses, market and economic feasibility analyses. The firm is therefore well qualified to assist with RFP's for Parcel 732. PSI will also be requested to evaluate proposals for the development of the old Hunters Point 2 School site; evaluate developer proformas for the development of the remaining residential sites in Hunters Point and the Western Addition A-2; and make recommendations regarding the Agency programs to facilitate economic development by MBE/WBE's.

Mr. King requested this matter be continued as he wished to meet with the principals of the firm.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (D), RESOLUTION NO. 176-88, WOULD BE CONTINUED FOR ONE WEEK AT THE REQUEST OF MR. KING. THERE BEING NO SUCH OBJECTION IT WAS SO ORDERED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in Execution of a Deed for Dedication and Conveyance of Cottage Row Mini-Park in the Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests execution of a Deed for Dedication and Conveyance to the City and the County of San Francisco of Cottage Row Mini-Park on Parcel 677-D(1) located between Bush and Sutter Streets westerly of Webster Street in the Western Addition A-2. With the exception of Cottage Row Mini-Park, all the mini-parks constructed in 1975 by the Agency in the Western Addition A-2 have been conveyed to the City and are maintained by the Recreation and Park Department. A delay was encountered in the conveyance of this mini-park because it contained PG & E and Pacific Bell easements which conflicted with the maintenance of an existing sewer by the Department of Public Works. This problem has now been resolved and it is in order to deed Cottage Row to the City.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 181-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to extend Exclusive Negotiations from August 24, 1988 to November 30, 1988, with Alamo Plaza Development Partners in conjunction with a Build-to-Suit Agreement with the Western Addition Senior Citizens' Center, Inc. (WASCC) for the development of two parcels located on Fulton Street between Fillmore and Steiner Streets in the Western Addition A-2. It is proposed to construct a mixed use development consisting of 59 residential condominiums and a senior citizens' facility. Guy DeJong, the contractor, is currently acting as the general partner in the absence of Richard Romine and this substitution is reflected in a partnership agreement submitted. The requested extension will allow for finalization of special terms of the LDA, legal review and publication of the public hearing notice.

Ace Washington, Vice President, WAPAC, requested more information on this development.

Fred Hubbard, WASCC, indicated that if Mr. Washington stops by the office he can obtain information regarding the development.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of Exclusive Negotiations, until November 30, 1988, with Robert Upton and Berri McBride, acting as general partners for Summit Partners, a California Limited Partnership to be formed, for the development of a parcel located at the southwesterly corner of Hudson Avenue and Whitney Young Circle in Hunters Point. Staff has evaluated three proposals that were presented at a public workshop in July 1988. Based upon the selection and design criteria and desired density ranges previously approved by the Commission, Exclusive Negotiations are recommended with Summit Partners. It proposes to construct a planned unit development known as Stony Hill Summit with approximately 28 townhouse style units with sales prices ranging from \$162,000 to \$179,000. Staff will discuss with the developer the mechanisms available to the Agency to make these units affordable to purchasers with moderate incomes that are below 120% of the median income for San Francisco. These methods could include public improvement costs, and certain development fees that may be absorbed by the Agency as well as a land price write-down. The architectural design proposal has provided an excellent site development maximizing the panoramic views of the City and the unit floor plans are varied and well designed. The proposal has been presented to the New Bayview Committee and concern was expressed regarding the affordability of the units. This matter and other staff concerns will be addressed during the Exclusive Negotiations period.

Mr. King requested this item be continued.

Berri McBride, Summit Partners, indicated his concern about the continuance and wanted to know why.

Mr. King indicated this was because he had not been at the meeting when the developers made their presentations and he wanted to review the proposals.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 183-88, WOULD BE CONTINUED FOR ONE WEEK AT THE REQUEST OF MR. KING. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Mr. Helfeld introduced item (d), which requests adopting proposed housing and other policies relating to the proposed Merger of six existing Redevelopment Projects. It is requested that this item be tabled.

Ace Washington, Vice President, WAPAC, requested information on

the merger and asked the President to read a letter into the record, which he did.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ARNELLE, AND UNANIMOUSLY CARRIED THAT ITEM (d), RESOLUTION NO. 184-88, BE TABLED.

- (e) Mr. Helfeld introduced item (e), which requests approval of the Agency's Financial Plan for the period January 1 - June 30, 1989 and authorizing the Executive Director to submit it to the Mayor and Board of Supervisors. Traditionally, the Agency has prepared an annual financial plan on a calendar year basis which was then approved as a part of the Community Development Block Grant (CDBG) program. With the transition away from that program to tax increment, the Agency must now change to a six month budget cycle. A full one year budget will be prepared in February for the period July, 1989 to June 30, 1990. The six month plan calls for the expenditure of some \$47.2 million, \$24.8 of which will be activities carried over from this year, the major portion of which occurs in Rincon Point-South Beach. Of the \$22.4 million in new activity, approximately \$6.3 million is for debt repayment/service in Yerba Buena Center and Rincon Point-South Beach; \$5.4 million is related to the design of the Central Blocks in Yerba Buena Center; \$2.0 million is for low and moderate housing in Yerba Buena Center; and about \$4.6 million is in staff and administrative costs.

John Elberling requested, on behalf of the Council of Community Housing Organizations, that item (e) be continued for one week in order to review the budget.

Mary Rogers requested a copy of the budget.

Mr. Newman inquired if continuing the matter for one week would affect the status of the budget.

Mr. Helfeld indicated that normally copies of the budget would be sent to the Commission and made available to interested parties for review in advance but, unfortunately, the City Budget Director was not in a position to sit down to try to work out a budget with Agency staff until the total City budget was completed which was only three weeks ago. The deadline is the end of September to have an approved budget signed by the Mayor that establishes debt so the Agency can obtain the \$5.8 million in tax increment funds that are in this budget and which the City Budget Director has indicated he will support. The issue on time is that it has been worked out with the City Budget Director that if the Commission approved the budget today, it would be transmitted to his office who would transmit it to the Board of Supervisors. It is hoped it will be before the Finance Committee on September 5 and before the full Board of Supervisors on September 12. The Supervisors may want to hold it over for review and so there is not much time. It is therefore suggested that the Commission approve the budget and its transmittal. In the meantime staff will work with those who

Minutes of a Regular Meeting, August 23, 1988

are interested and any changes to be made could be brought before the Commission at the August 30 Agency meeting.

Upon inquiry from Mr. Newman, Mr. Elberling indicated that Mr. Helfeld's suggestion sounds reasonable provided that it be put on the agenda for the August 30 meeting so full testimony could be given.

Mr. Newman indicated the matter would be calendared for discussion at the August 30, 1988, meeting.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-88 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

- (a) Mr. Newman referred to the letter from WAPAC and inquired of Mr. Borregard, Agency General Counsel, whether the list of residents and business certificate holders is public information.

Mr. Borregard indicated that it is the policy of the Agency not to make available a list to the public to protect the privacy of the certificate holders.

Mr. Newman requested that Mr. Helfeld respond to WAPAC's letter.

- (b) Ace Washington, WAPAC, requested the records of WAPAC; that letters should be addressed to him as the Executive Director of WAPAC and not just Ace Washington; and referred to problems with Ella Hill Hutch Community Center.

Mr. Arnelle noted he preferred Mr. Washington not go through a laundry list at each Agency meeting. He should sharpen his focus and present to the Commission only Agency related items.

Mr. King indicated that Mr. Washington should only bring Agency related items before the Commission.

Mr. Washington requested a report on the Ella Hill Hutch Community Center.

Mary Rogers, as a member of the Ella Hill Hutch Community Center, said she would be pleased to work with Mr. Washington or anybody else in the community.

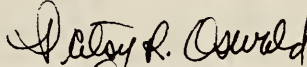
Nathaniel Mason, Affirmative Action Officer for the Fillmore Center Project, indicated that if Mr. Washington needs information he could contact him and he would be glad to assist him.

Minutes of a Regular Meeting, August 23, 1988

ADJOURNMENT

It was moved by Mr. Arnelle, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:10 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED: September 20, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file
with the Agency Secretary.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF AUGUST 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the College of Podiatric Medicine, 1835 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of August, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Charlotte Berk
Leroy King
Melvin D. Lee

and the following were absent:

Haig G. Mardikian, Vice President (Arrived 4:22 p.m.)
H. Jesse Arnelle
Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Willie R. Brown, Fannie McElroy, Omotade Rideau, Olu Dangerfield, Nontsizi Caydu, Ibilol Soyode and Danyal Sims, WAJUMBE; Ace Washington, WAPAC; Ocie Rogers; Joseph M. Bowman; Noby Namamura and David Brodsley, VBN Architects; George Thodos and Dave Lang, American Realty and Construction; Daniel A. Collins and Edward J. Collins, Fillmore Renaissance; Dr. R.A. McCoy, Future Perfect, Inc; Berri McBride and Robert Upton, Summit Partners; Clyde Wright, SBMA, Ltd; Katherine Nash; Lefty Gordon, Ella Hill Hutch Community Center; J. Jamerson, Bohemia Two; H. Jackson; B. Jackson; J. Busset, Mary Redmond; Elsie Hodge; Archie Hanson; Henry Lucas; Essie Collins; Brenda Gaines; Maria Perdomo; Celeste Sias; Pleasant Carson; Ken Kinnarp; R & E Carr; Bobbie Stitt; Andrea Young; Evelyn A. Martin; Evelyn Kirkland; Don Washington; John Hoffman, First Boston Corp; Thomas Lollini and Michael Stanton, Stanton & Associates; Timothy Dupre, Booker T. Washington Center; Dinah Hamilton; Debra Edgerly, Westside Preschool; Modupe Smith; Joseph Lewis; Donald Tishman and Noel Khilil, Fillmore Market Place Associates; George Luster, San Francisco Associates Development Group; and Charles Collins, Fillmore Renaissance Associates; Michael Willis, Michael Willis & Associates.

Representing the press were: Gerald Adams, San Francisco Examiner; Jim Kelly, San Francisco Progress; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of June 21, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported the Commissioners on the following matter:

- (a) Due to the Agency's regular meeting place still being remodelled, the next meeting of September 6, 1988, will be held at the Governor Edmund G. "Pat" Brown Building, 505 Van Ness Avenue, Main Auditorium, at 4:00 p.m.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which was continued from the meetings of August 16 and 23 and requests authorization of a new Personal Services Contract with Pluralist Systems Incorporated for Economic Urban Land Consulting Services in an amount of \$40,000 for All Redevelopment Project Areas.

Mr. King indicated that he believed the Agency has sufficient consultants and does not need to hire any more.

Mr. Helfeld indicated that if the Commissioners feel uncomfortable with this item he would recommend it be withdrawn.

Mr. Lee noted that the budget is tight and it is inappropriate to approve the contract at this time.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 176-88, BE TABLED.

- (b) Mr. Helfeld introduced item (b), which was continued from the meeting of August 23, 1988, and requests authorization of exclusive negotiations, until November 30, 1988, with Robert Upton and Berri McBride, acting as the general partners for Summit Partners, a California Limited Partnership to be formed, for the development of Parcel EE-2 located at the southwesterly corner of Hudson Avenue and Whitney Young Circle in Hunters Point. Three proposals were previously presented to the Commission and this development team and particularly the design is recommended by staff. It takes great advantage of the views, has lower construction costs and has the lowest average selling price of the three proposals.

Mr. Lee indicated his concern about the lower level bedroom windows facing the street and the fact that a person is exposed to the elements when walking from the garage to the front door.

James Wilson, Project Director, Hunters Point, indicated these items would be worked out during the exclusive negotiations period.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which is for the purpose of further discussion and action as appropriate regarding the Agency's 1989 Financial Plan. At the meeting of August 23, 1988, the Commission passed the Agency's 1989 Financial Plan and this was transmitted to the Board of Supervisors for referral to the Finance Committee, which was to hear it on September 7. This date has now been set for September 14, after which it will go before the full Board of Supervisors on September 19.

Mr. Helfeld indicated that staff had met with John Elberling to discuss his concerns and had sent him further information.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Resolution of the Redevelopment Agency of the City and County of San Francisco for the formation of Community Facilities District, Authorizing the Levy of a special tax within the District, Preliminarily establishing an appropriations limit for the District and Submitting Levy of the Special Tax and the establishment of the appropriations limit to the qualified electors of the District; Rincon Point-South Beach.

Mr. Helfeld introduced item (a) which requests adoption of a Resolution of the Redevelopment Agency of the City and County of San Francisco of formation of Community Facilities District, Authorizing the Levy of a special tax within the District, Preliminarily establishing an appropriations limit for the District and Submitting Levy of the Special Tax and the establishment of the appropriations limit to the qualified electors of the District; Rincon Point-South Beach.

- (b) Public Hearing to hear all persons interested in a Resolution of the Redevelopment Agency of the City and County of San Francisco, determining the necessity to incur bonded indebtedness within the Community Facilities District and submitting proposition to the qualified electors of the District; Rincon Point-South Beach.

Mr. Helfeld introduced item (b), which requests adoption of a resolution determining the necessity to incur bonded indebtedness within the District and submitting proposition to the qualified electors of the District.

President Newman opened the Public Hearings to hear all persons interested in these matters.

- (c) Mr. Helfeld introduced item (c), which requests adoption of a resolution calling for a Special Election.

Mr. Helfeld indicated that after taking action on item (c), the President will call a recess to receive the ballots and tally the votes. The issues presented must be approved by the qualified

electors of the District by more than two thirds of the votes cast.

- (d) Mr. Helfeld introduced item (d), which requests adoption of a resolution declaring results of the Special Election and directing recording of Notice of Special Tax Authorization.
- (e) Mr. Helfeld introduced item (e), which requests adoption of a resolution levying Special Taxes within the District.
- (f) Mr. Helfeld introduced item (f), which requests adoption of a resolution expressing the Agency's intent to issue Special Tax Bonds to finance Public Infrastructure Improvements.

In July 1988 Resolution No. 158-88 was adopted declaring the Agency's intention to establish a Community Facilities District and to authorize the levy of a special tax pursuant to the Mellow-Roos Community Facilities Act of 1982; and Resolution No. 159-88 was adopted declaring the intention to incur bonded indebtedness pursuant to the same Act. The Commission has been provided with a copy of the Engineer's Report which includes a boundary map and description of the facilities. Pursuant to this report, the Agency agrees to pay in advance from budgeted funds, as its share for the public parcels benefitted, approximately \$2.4 million for capital improvements and approximately 36% of the annual cost of maintenance for the District, or \$36,000 in the first year. The Agency's actual share for capital improvements is less than the earlier estimate of \$2.7 million and the \$300,000 difference has been allocated as supplement to the budget for the park.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 188-88 BE ADOPTED.

Mr. Mardikian arrived at this time, 4:22 p.m.

President Newman indicated there would be a recess to receive the ballots and tally the votes. The meeting recessed at 4:15 p.m. and reconvened at 4:22 p.m.

The Agency Secretary indicated that nineteen qualified votes had been received and all nineteen were "yes" votes making this unanimous.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND

UNANIMOUSLY CARRIED THAT RESOLUTION NO. 189-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 190-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-88 BE ADOPTED.

- (g) Public Hearing to hear all persons interested in a variance to the off-street parking requirements of the Western Addition Area A-2 Redevelopment Plan; Western Addition A-2.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (g), which requests authorization of a Variance from the off-street parking requirements of the Western Addition A-2 Redevelopment Plan.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a First Amendment to the Owner Participation Agreement (OPA) with 337 Fulton, Inc. for 337 Fulton Street in the Western Addition A-2. Approval of both these items is conditioned upon the Owner's execution and return to the Agency of the First Amendment to the OPA on or before September 7, 1988, and completion of the rehabilitation of the ground floor area of said property pursuant thereto. The Amendment to the OPA and granting of an off-street parking variance will legitimize the existing alteration of 337 Fulton Street and updates certain provisions of the OPA in accordance with current Agency policy and procedures.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-88 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization of a First Amendment to the Commercial Rental Agreement with Dillingham Construction, N.A., Inc. for additional Trailer Space on the block located at the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2. In April 1988 a rental agreement was approved with Dillingham for the use of 10,000 square feet of vacant land for storage purposes. They are now requesting an additional 8,800 square feet for placing of construction trailers for office space. The total monthly rental income will increase from \$1,500 to \$2,820 for the temporary rental of 18,800 square feet. Dillingham is the general contractor for both the Fillmore Center Developers and Cathedral Hill Plaza projects.

Ace Washington, WAPAC, requested further information on this item.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-88 BE ADOPTED.

- (j) Mr. Helfeld introduced item (j), which requests authorization to pay a premium through Arkwright Mutual Insurance Company and the Bay Cities Joint Powers Authority in an approximate amount of \$2,270 for Temporary Property Insurance Coverage in connection with the expandable homes on Innes Avenue in Hunters Point.
- (k) Mr. Helfeld introduced item (k), which requests authorization of a contract for security services with Cal-State Patrol Service, Inc., in an amount not to exceed \$10,000, in connection with the expandable homes on Innes Avenue in Hunters Point.

Temporary property insurance coverage with limits of \$2,065,000 will be necessary for the homes from the time of completion of construction on or about September 1, until they can be sold through a lottery to be held on September 21, 1988. It is proposed that security coverage be provided by Cal-State Patrol Service, an MBE firm, which is currently providing excellent service at the South Beach Harbor. It is anticipated that the Agency will need to maintain property insurance and security coverage on the homes until December 1, 1988.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-88 BE ADOPTED.

- (1) Mr. Helfeld introduced item (1), which requests authorization to extend Exclusive Negotiations from August 31 to November 30, 1988 with San Francisco Parking, Inc. for the development of Parcel 3751-H located on the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. It is proposed to construct a mixed use development containing underground parking, a supermarket and hotel lobby space at street level and a 198 unit hotel. The developer intends to enter into a lease with a supermarket operator for a period of at least 25 to 35 years with an option to extend the lease period. Tentative commitments from hotel and supermarket operators have been submitted by the required date. However, the Schematic Drawings have not been submitted because the developer is exploring the feasibility of purchasing the adjacent 4,400 square foot privately-owned parcel to permit the expansion of the supermarket. It is considered that a larger supermarket would be beneficial to the South of Market community and feels that no significant development time will be lost exploring that possibility.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-88 BE ADOPTED.

- (m) Mr. Helfeld introduced item (m), which requests authorization of a First Amendment to the Architectural Agreement with Mitchell-Giurgola in connection with Yerba Buena Center. Services under this contract were authorized through the Schematic Phase only, pending resolution of the bridging of Howard Street and the location of the crystal garden. The Schematic Drawings for the Esplanade are now complete, but the treatment of the Howard Street area is still under consideration. However, design for the Esplanade portion of this area can proceed prior to final resolution of the Howard Street area. Pursuant to Commission workshops and presentations to City officials, the architects undertook additional studies of the Howard Street area, the latest of which is now under review by staff, the City's Moscone Convention Center Expansion architects and Olympia & York's development team. Additional studies have now been requested as a result of meetings with City officials and the developer. This amendment enables preliminary design work to proceed on the area of Central Block 2 north of Howard Street, including the Esplanade, fountain, sidewalks and Mission Street pedestrian bridge. It increases the amount payable by \$645,000 and makes other changes enabling work to proceed on the Preliminary Construction Documents Phase for the Esplanade and on completion of conceptual design for the Howard Street area. The Amendment also revises the performance schedule to require Esplanade preliminary drawings by February 1, 1989. Additional changes provide for revision and reuse of the model produced during the Schematic Phase; payment of all reimburseable expenses from a single contract amount; and finalizing the architect's schedule for hiring minority trainees.

Mr. King inquired where the funds would come from to pay for this item and Mr. Helfeld indicated that there were funds for this work in the 1988 budget and their continuance into 1989 is being recommended to the Board of Supervisors.

Following a discussion regarding the original budget, Ms. Sause, Project Director, Yerba Buena Center, indicated those figures would be provided to the Commission at the September 6, 1988, meeting.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (m), RESOLUTION NO. 198-88, WOULD BE CONTINUED FOR ONE WEEK. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (n) Mr. Helfeld introduced item (n), which requests authorization of a Second Amendment to the Legal Services Agreement with Lawrence J. Koncz for All Redevelopment Project Areas. Mr. Koncz has provided excellent services since 1979 in connection with the Affordable Condominium Program in the Western Addition A-2 and since May 1986 when the contract was amended to include All Redevelopment Projects, has assisted in reviewing the buy-sell agreements for potential homeowners on Site S-4 in Hunters Point. The original contract amount of \$24,000 has been entirely expended and the

Amendment will increase the amount payable by \$10,000 for a total contract amount of \$34,000. It also makes certain other administrative changes to bring the agreement in conformity with the Agency's current contract provisions.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-88 BE ADOPTED.

- (o) Mr. Helfeld introduced item (o), which requests authorization of a Permit to use Port of San Francisco Property at Pier 30-32 in connection with the South Beach Harbor in Rincon Point-South Beach. This permit will enable the Agency to rent a portion of Pier 30-32 to accommodate the increased parking demand during an international regatta sponsored by the St. Francis Yacht Club. The Port has agreed to make sufficient space available for 200 vehicles at \$200 per day on September 17, 18, 24 and 25. A number of vessels will be berthed at the South Beach Harbor and it is anticipated the event will produce a net income to the Agency of \$6,000, as well as provide an excellent promotional opportunity for the Harbor.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-88 BE ADOPTED.

- (p) President Newman introduced item (p), which is a workshop to present responses to the Request for Proposals received for the mixed-use development of Block 732 bounded by Fillmore, Eddy, Webster and Ellis Streets in the Western Addition A-2. These proposals were received on August 24, 1988, six days ago. Staff is still in the early stages of review and the reading of these proposals. This meeting is to acquaint at this early stage both the Commission and the community with information and the outlines of the proposals submitted. This is merely an introductory meeting for the purpose of information about the submissions. Beginning on August 31st any member of the general public wishing to see the drawings and proposals presented here this afternoon can contact the Real Estate Division and arrange with one of the secretaries or Phillip Westergaard, Development Specialist to see the drawings and texts of the proposals. The proposals will be available during the Agency's regular business hours of 8:00 a.m. to 5:00 p.m. As staff develops its analysis and recommendation it is anticipated that there will be a second workshop for the Commission and the community. That workshop will be announced to the community through the publication of the agenda and advance notice to the development teams and other interested community groups and individuals. The development teams have each drawn cards determining the order of presentation. Each development team is urged to keep their presentation to fifteen minutes, with a fifteen minute question and answer period following. We ask that all questions be kept focused on the development then making its presentation and seek information to clarify the proposals being made. Opinions will be sought at future meetings.

Minutes of a Regular Meeting, August 30, 1988

President Newman announced that there would be a recess before presentation of the proposals. The meeting recessed at 4:45 p.m. and reconvened at 4:55 p.m.

Donald Tishman presented the proposal for Fillmore Market Place Associates.

President Newman announced there would be a recess before the next presentation. The meeting recessed at 5:20 p.m. and reconvened at 5:25 p.m.

George Luster presented the proposal for San Francisco Associates Development Group.

President Newman announced there would be a recess before the next presentation. The meeting recessed at 5:35 p.m. and reconvened at 5:45 p.m.

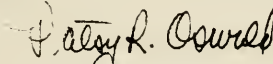
Charles Collins presented the proposal for Fillmore Renaissance Associates.

Noel Khilil, H.J. Russell & Company, and a member of the development team for Fillmore Market Place Associates, reported on his firm's financial status.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: October 11, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file
with the Agency Secretary.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF SEPTEMBER, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting in the Auditorium of the Governor Edmund G. "PAT" Building, 505 Van Ness Avenue, San Francisco, California at 4:00 p.m. on the 6th day of September, 1988, the place and date duly established for such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Leroy King

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and the following were absent:

H. Jesse Arnelle
Carl D. Gustavson
Melvin D. Lee (Arrived 4:09 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Michele Brewer, Brobeck, Phleger & Harrison; Saheem Hameed, Urban Economic Development Corporation; Ocie Rogers; Lance Haynes, WAPAC; Steve Zovickian, McCutchen, Doyle, Brown & Enersen.

REPORT OF THE EXECUTIVE DIRECTOR

Edward Helfeld Executive Director reported to the Commissioners on the following matters:

- (a) It is expected that the remodeling of the Agency's regular meeting place, 7th floor conference room, 939 Ellis Street, will be completed in time to have the next regular meeting of September 13 held there.
- (b) The Board of Supervisor' Finance Committee will be hearing the Agency's budget on September 14 and it will be before the full Board on September 19.
- (c) Rincon Center Associates will be holding a celebration and rededication of One Rincon Center on September 14, 5:00 p.m. to 8:00 p.m.

UNFINISHED BUSINESS

- (a) Mr. Helfeld reported on item (a), which was continued from the meeting of August 30, 1988, and requests authorization of a First Amendment to the Architectural Agreement with Mitchell-Giurgola in connection with Yerba Buena Center. The Commissioners have been provided with additional information to cover some questions that were raised at last week's meeting. The total anticipated budget is \$5,490,000 and it should be noted that there are several items that are estimated. A major issue is how the Howard Street crossing will be handled. When a final design is agreed upon, a final budget can be set.

Mr. King indicated the firm's affirmative action program could be improved.

Mr. Helfeld indicated that the firm had been aggressive in trying to interest minorities, including Blacks, that are in architecture. However, he believed it could be better at a professional level and staff will continue to seek improvement.

Mr. Lee arrived at this time, 4:09 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 198-88 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests conditional authorization of a Fourth Amendment, which revises the housing obligations for the Owner Participation Agreement (OPA) with SBMA, Ltd. for a parcel located on the northerly side of Townsend Street between First and Federal Streets in Rincon Point-South Beach. In December 1985 an OPA was approved for this development which consists of 414 rental units and approximately 7,900 square feet of ground floor neighborhood commercial space. The Amendment increases the total number of low to moderate units by three and revises requirements regarding their location throughout the development. It also increases the number of below market rate units from 94 to 101. This authorization is conditioned upon HUD approval.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Seventh Amendment to the Legal Services Agreement with McCutchen, Doyle, Brown & Enersen. This firm has performed services for the Agency under this Agreement since 1979 and recently has been handling claims related to the South Beach Harbor, including a \$7.6 million claim filed against the Agency by Riedel International. The firm has retained two highly regarded engineering firms to assist in claims analysis, the billings for which are paid under the Agreement and represent 70 percent of

recent payments under this contract. The Amendment increases the amount payable by \$100,000 for a total contract amount of \$525,000. This is in anticipation of the need for continued legal services in view of the uncertainty relating to the Riedel claim. As a result of reimbursement from others, the actual cost to the Agency has been substantially less than the contract amount.

In response to an inquiry from Mr. Newman, Steve Zovickian, McCutchen, Doyle, Brown & Enersen, indicated that they have settled with Valentine Corporation regarding the On-shore claim. An offer had been made to Riedel but a response has not yet been received. Still at issue is the reimbursement from the architects, Winzler & Kelly.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Fourth Amendment to the Legal Services Agreement with Brobeck, Phleger & Harrison in connection with Yerba Buena Center. This firm has been providing legal services since November 1986 related to the YBG DDA. More recently, the services have been related to documents directly connected with the expansion of the Moscone Convention Center and new DDA and lease amendments. Because of the intensity of the work the firm's billings have been more than were originally anticipated. There is currently a balance of only \$800 remaining in the contract with outstanding billings of approximately \$60,000. However, with past and anticipated reimbursements from the City for work performed for the Moscone Convention Center, the net contract amount is less than authorized, and much of the new ongoing DDA and lease amendment work is already included in the anticipated billing. The Amendment increases the amount payable by \$125,000 for a total contract amount of \$550,000.

In response to an inquiry from Mr. Newman, Helen Sause, Project Director, Yerba Buena Center, indicated the amendment should provide sufficient funds for the Seventh and Eighth Amendments to the DDA which will conclude the issues in the DDA that had to be changed as a result of the Moscone Convention Center expansion into the parking parcel on CB-2. If additional funds and/or services are needed, this will be brought before the Commission for approval.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 203-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Personal Services Contract with Urban Economic Development Corporation (UEDC) to provide economic and financial consultant services for community based and minority or woman-owned business enterprises in connection with the Bayview Plaza in the India Basin Industrial Park. UEDC has provided excellent services to small businesses interested in the Fillmore Center and it is

considered that similar assistance would be beneficial to community persons for the Bayview Plaza which is expected to be completed within forty days. Compensation will be at a rate of \$35 per hour and the contract amount will not exceed \$50,000.

Faheem Hameed, President, UEDC, appeared before the Commission and described the scope of services to be performed under the contract.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Letter Agreement in an amount of \$13,000 with the City's Bureau of Light, Heat and Power for the installation of five street lights on Jerrold Avenue adjacent to Morgan Heights development near the Hunters Point Redevelopment Project Area. The installation of these street lights is a prerequisite to the dedication and subsequent acceptance of maintenance responsibility of Jerrold Avenue by the City. If approval is given for the Bureau to do the work, the cost will be 35 percent less than going out to bid, plus less staff time is required for administration.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-88 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests approval to extend the date certain for the resolution of unresolved design concerns for the remaining portion of the Fillmore Center Associates' development on Parcels 707-A, 726-A, 731-A, 750-A and a portion of Ellis Street all bounded by Geary, Fillmore, Turk and Steiner Streets in the Western Addition A-2. At the workshop presentation in May of this year, August 31, 1988 was the date approved for the resolution of the remaining unresolved design concerns, which are: the design for the corner plaza at the southwest corner of O'Farrell and Fillmore Streets; the final architectural and landscape design for Parcel 750-A; the proposed exterior colors for Parcel 731-A; the final design treatment of the rooftop areas; and the final floor plans and elevations for the low-rise buildings on Parcels 731-A and 750-A. Although substantial progress has been made towards resolving these concerns, the developer is requesting additional time to conclude further design studies with staff. Also, the developer needs to select an artist to collaborate with Tony Lumsden of DMJM and the project landscape architect on the O'Farrell and Fillmore Streets plaza design.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-88 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization to amend Section V.G. Holidays of the Agency Personnel Policy to substitute the day after Thanksgiving for the Admissions Day Holiday. This change was provided for in the Memoranda of Agreement with Locals 790 and 21 negotiated earlier this year and

the City has also substituted this holiday for its employees. It is believed this substitution will work to the advantage of the Agency and its employees.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 207-88 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

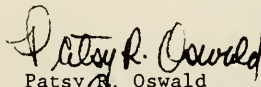
- (a) Lance Haynes, Secretary of the new WAPAC (Western Addition Progressive Alliance Committee) requested he be provided with the number of Black owned and operated law firms that do work for the Agency; the approximate dollar amount of their contracts; and what percent it represents of the total amount of money for legal services with the Agency.

Mr. Newman indicated that staff would provide that information to Mr. Haynes. He further indicated that each time a contract is considered, the firm's affirmative action program is studied by staff and the Commission. If it is found to be unsatisfactory then they are denied the right to do work for the Agency.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: October 18, 1988

NOTE: These minutes are an edited version of the proceedings. A full tape recording of the proceedings is on file with the Agency Secretary.

SF
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#4
9/13/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF SEPTEMBER 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of September, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Leroy King
Melvin D. Lee

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and the following were absent:

H. Jesse Arnelle (Arrived 4:04 p.m.)
Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Seymour Fromer, Magnus Museum; Terry Collins; Lance Haynes and Douglas Jenkins, WAPAC; and Gary J. Shapiro, Bush Street Synagogue.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of July 19, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of July 29, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the minutes of the Special Meeting of July 29, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) Rincon Center dedication ceremonies will be held on September 14, 5:00 p.m. to 8:00 p.m. at 101 Spear Street.
- (b) The Finance Committee will meet on September 14 to consider the

Agency's Budget with the full Board of Supervisors to hear it on September 19, 1988.

Mr. Arnelle arrived at this time, 4:04 p.m.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests re-entry into Exclusive Negotiations for 1881 Bush Street in the Western Addition A-2.
- (b) Mr. Helfeld introduced item (b), which requests Exclusive Negotiations for 1899 Bush Street in the Western Addition A-2.

These Exclusive Negotiations with the Bush Street Synagogue Cultural Center (Museum) will be until December 14, 1988, for both properties. Felix Warburg, a board member of the Museum, has submitted a proposal that incorporates the development of 1899 Bush Street with the rehabilitation of 1881 Bush Street. Staff considers the combined development of both parcels provides a suitable development scheme.

Fromer Seymour and Gary Shapiro, representing the Developer, indicated they would be pleased to answer any questions regarding the project.

Randall Evans requested further information on the development.

Mr. Helfeld indicated that the existing Bush Street Synagogue would be refurbished and become a center for the permanent display for Jewish culture and history. The adjacent building would provide additional gallery and office space in conjunction with the proposed use of the former Synagogue. There is a proposal for parking underneath the building but that is still to be explored.

Mr. Evans inquired regarding construction monies and the extent of involvement by the community and minorities in the development.

Mr. Helfeld indicated that private money will be used for the project, however, there are affirmative action requirements of the contractors and developers.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 208-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Second Amendment to the Agreement with Terry Collins, Cecilia Johnson-Collins, George Colbert and Greer Smith-Colbert for 1151 Webster Street in the Western Addition A-2. Pursuant to an LDA approved in July 1987, it is proposed to rehabilitate this four unit apartment building by converting it into three residential

dwelling units, two of which will be owner-occupied. Due to concerns with the estimated construction costs, the developer is seeking alternative construction bids and has requested the performance schedule be revised to extend submission of evidence of financing from August 24 to November 2, 1988 and conveyance of the site from October 19 to December 21, 1988.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 210-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Fourth Amendment to the Legal Services Agreement with Alice Beasley for All Redevelopment Project Areas.
- (e) Mr. Helfeld introduced item (e), which requests authorization of a Fifth Amendment to the Legal Services Agreement with John Rogers for All Redevelopment Project Areas.

The Amendments increase each contract by \$50,000 and make certain other administrative changes to bring the Agreements into conformity with the Agency's current contract provisions. Both attorneys have been providing services since 1980 in connection with condemnation of real property and, more recently, have provided substantial legal services for two pieces of pending litigation in Rincon Point-South Beach. Funds for both contracts are almost expended and the amendments will bring the total contract amounts for Beasley and Rogers to \$73,000 and \$95,000 respectively.

President Newman inquired if Ms. Beasley and Mr. Rogers were present.

David Oster, Acting Agency General Counsel, indicated that the attorneys were unable to attend the meeting due to commitments in court.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 211-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-88 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to modify the Request for Qualifications (RFQ) in connection with the offering of Parcel 3707-A located at the northeast corner of Third and Mission Streets in Yerba Buena Center. All fifteen respondents to the RFQ appear to be qualified after being evaluated in accordance with the selection criteria set forth and additional criteria is needed to assist in determining which developers will be invited to take part in the next step of the selection process. It is therefore proposed to modify the RFQ to: (1) limit the number of developers to approximately five who are considered to be most qualified which will facilitate the selection process and eliminate the expenditure of substantial

sums by prospective developers; (2) require each developer to decide upon the architectural firm that will be part of its team and identify an individual in that firm who will be in charge of design; and (3) fix the land price based on independent appraisals which will consider retention of a significant portion of the Jessie Hotel. With the price fixed, the selection process will be based on the winning design. All other provisions of the RFQ and the selection process remain unchanged.

Mr. Mardikian noted his concern that the Agency appears to have changed the rules in mid-stream and he wished to be assured that none of the fifteen developers would feel disadvantaged and had not expended money unnecessarily in preparing their responses.

Mr. Helfeld indicated that the developers had not spent any money yet and had noted that they would feel more inclined to spend money if the odds were not so great. All fifteen developers have been advised of the proposed modifications to the RFQ criteria and no objections have been raised.

Mr. Lee indicated that due to budget restraints, the Agency should try to secure the maximum land price as they did for the parcel at Folsom and Third Streets.

Mr. Helfeld indicated that it is not intended to get a minimum price but a fair price which should be the maximum price. The appraiser would take into consideration how the developer would look at it in terms of what his costs are, what his return could be on his investment and the public requirements which include the preservation of part of the Jessie Hotel but at this time it is felt that the land price and the design cannot be mixed.

President Newman inquired if there is a better solution than incorporating the Jessie Hotel into the design.

Mr. King indicated he was opposed to including the Jessie Hotel in the criteria.

Mr. Helfeld suggested item (f) be continued to the meeting of September 20, 1988, because some good points have been raised which he would like to discuss with staff and report the findings to the Commission.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (f), RESOLUTION NO. 213-88, WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a First Amendment, which increases the hourly rates and the amount payable by \$8,667.91, to the Agreement for Professional Services with Katz Hollis Coren & Associates, Inc. This one year contract was entered into on August 10, 1987, in an amount of \$25,000, to provide on-going financial services for all existing redevelopment

projects and provide essential tax increment information required as part of the process of amending the six redevelopment plans to permit the project merger. The project merger effort required exhaustive fiscal research and analysis which resulted in a cost overrun of \$3,667.91 which is included in the First Amendment. Approval is requested to further amend the existing agreement by an amount not to exceed \$5,000 in order to utilize this firm's services if needed.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 214-88 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of attendance at the Urban Land Institute 1988 Fall Meeting, November 2-5, 1988, in San Francisco. The cost for four staff members to attend as public officials is estimated at \$500 per person. Any Commissioner could also attend at an estimated cost of \$1,000 each for full registration.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-88 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization for a staff person to travel to New York City for the purpose of evaluating the design alternatives being developed for bridging Howard Street in Yerba Buena Center. Mitchell-Giurgola, the Agency's consultants for design of the Esplanade and bridges, have developed several design solutions for the bridging of Howard Street which mitigates the impact of 240 feet of bus drop-off zones between CB-2 and CB-3. These alternatives have been explored with the City and other users in the area without reaching a decision on the preferred alternative. At a meeting held two weeks ago with the developer of Yerba Buena Gardens, his architects and a representative of Mitchell-Giurgola, several new concepts were discussed which hopefully would mitigate the impact of Howard Street and strengthen the linkage between the commercial uses and the gardens on CB-2 and CB-3. A meeting to discuss the results of these studies has just been scheduled for September 16 in New York City which will be attended by representatives of Olympia & York and Mitchell-Giurgola. It is considered essential that Agency staff participate in this meeting in order to ensure that a design direction be achieved which also meets the Agency's and the City's objectives. Cost of air fare and travel is estimated at \$1,000.

ADOPTION: IT WAS MOVED BY MR. ARNELLE, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-88 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Lance Haynes indicated that the information he had requested at the September 6, 1988, meeting regarding law firms employed by the Agency which are Black-owned and operated had not been received.

David Oster, Acting Agency General Counsel, indicated that a letter had been sent to Mr. Haynes today.

- (b) Douglas Jenkins appeared before the Commission and inquired whether the people who were party to the amendments on the agenda were present at the meeting today.

President Newman indicated that representatives for items (a), (b) and (c) were present, but not for items (d), (e) and (g).

Mr. Jenkins requested that in the future, if representatives were not present for their item then the matter be held over until they could appear.

President Newman announced that the meeting would be recessed to a Closed Session on Personnel, after which the meeting would be reconvened in the Fourth Floor Conference Room for item (j). The meeting recessed at 4:40 p.m. The meeting reconvened in the Fourth Floor Conference Room at 5:10 p.m. with the same roll call.

MATTERS NOT APPEARING ON AGENDA

The Mayor of the City and County of San Francisco joined the meeting at this time to present to the out-going Commissioners Arnelle and Lee with resolutions of appreciation for their services and wished them well in their future endeavors.

Mr. Lee and Mr. Arnelle expressed their thanks to the Mayor and Redevelopment staff for their support throughout the years they had served as Commissioners.

President Newman, speaking on behalf of the Commission, noted the years of devoted service of Commissioners Arnelle and Lee and that this Commission and this Agency would miss them and their Redevelopment experience.

- (j) Mr. Helfeld introduced item (j), which is a workshop presentation by James Stewart Polshek on progress of the Schematic Design for the Theater Building on Central Block 2 in Yerba Buena Center. In May 1988 the program and construction budget were approved for the Theater by amending the architectural design contract. For the past three months, the Polshek office has been rapidly developing a schematic design for the facility, which also has enable them to coordinate the structural design for the project with the convention facilities below.

Mr. Polshek then made the presentation on the status of the Schematic Design for the Theater Building on Central Block 2.

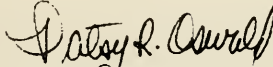
ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Lee, and unanimously carried

Minutes of a Regular Meeting, September 13, 1988

that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:50 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is fluid and cursive, with the first name "Patsy" being more prominent.

Patsy R. Oswald
Agency Secretary

APPROVED: November 1, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file
with the Agency Secretary.

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9/20/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF SEPTEMBER, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of September, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Buck Bagot
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen

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and the following was absent:

Haig. G. Mardikian, Vice President

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Yvette McCoy, Randy Jackson and Jamie Lockett, Progress Seven, Inc.; Ocie Rogers; Tim Hammond and Judy Perkins, Bank of America.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of August 23, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Newman indicated that, on behalf of the Commission, he would like to welcome two new Commissioners, Vivian Fei Tsen and Buck Bagot. Both are outstanding citizens with extensive experience in public service and in the field of housing. They are very knowledgeable and it is fortunate indeed to have them be part of the deliberations of this Commission.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters.

- (a) Staff also welcomes the new Commissioners and looks forward to working with them. Following this meeting there will be a

reception in the fourth floor conference room to meet Mr. Bagot and Ms. Tsen.

- (b) On September 19, the Board of Supervisors passed the Agency's budget for a six month period, January 1, 1989 through June 30, 1989, which will put the Agency on the same budget year as the City of San Francisco. As part of that budget, over \$5.5 million in tax increment funds were allocated to the Agency and this provides more time for discussions with the Mayor's Office on the future merger issues, housing issues and completion program of the Agency.
- (c) Mr. Helfeld has signed a Memorandum of Understanding with the Developer and the Museum of Modern Art. It is emphasized that this is non-binding but among the parties this is an understanding of direction. It will be brought before the Commission for review and approval as the attorneys work on the actual documents.
- (d) The Agency held an Open House for the Innes Avenue expandable homes September 10 and 11 and will also hold one September 17 and 18. The response was very positive and a lottery will be held in mid-October to select the buyers of the homes which are for low to moderate income first time ownership.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which was continued from the meeting of September 13, 1988, and requests authorization to modify the Requests for Qualifications (RFQ) in connection with the offering of Parcel 3707-A located at the northeast corner of Third and Mission Streets in Yerba Buena Center. To address the concern that a fixed land price might result in the Agency receiving less than the optimum price for the parcel, a second independent appraisal will be obtained to establish the validity of the first prior to fixing the land price. Both appraisals will take into account staff's evaluation of the cost of retention of a portion of the Jessie Hotel. It was not intended that the fixed land price, which included retention of a portion of the Jessie Hotel, would be the only option. The successful developer, the selection of whom would be based upon a fixed price and on a design preserving part of the Jessie Hotel, would be requested to present an alternative price based upon a cleared parcel. Staff continues to recommend the previously suggested modifications relating to the selection of a limited number of the most qualified developers and the requirement that each developer decide upon the architectural firm that will be a part of its team. Also that all other provisions of the RFQ and the selection process remain unchanged.

President Newman noted his concern that the number of developers to be selected is not specified and Mr. Helfeld suggested the number be set at five.

Mr. King indicated that those not selected should have the right to appeal to the Commission. Mr. Helfeld indicated that those not in the final five would be notified that they have not been selected and if they wish to appeal to the Commission then they would have very right to do so.

Mr. Gustavson inquired if the requirement that the developer have demonstrated experience to deal with an historical site was still included in the criteria and whether the Heritage Foundation was aware that it is intended to seek two proposals, one that includes the Jessie Hotel and one that does not. Mr. Helfeld indicated that the original RFQ included two alternative proposals, one with the Jessie Hotel and one without, so the spirit of that recommendation has not changed. Information has been provided to the Heritage Foundation so they are aware of this criteria.

Mr. King indicated he was prepared to move approval of this item with the understanding that the developers not selected have the right to appeal to the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 213-88 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Deed for Dedication and Conveyance to the City and County of San Francisco for Public Street Purposes; Hunters Point.

Mr. Helfeld introduced item (a), which requests authorization to execute a Deed for Dedication and Conveyance to the City for public street purposes certain portions of Jerrold Avenue and Donahue Street adjacent to the Morgan Heights and Mariners Village developments in the vicinity of the Hunters Point Redevelopment Project Area. In 1980 the Agency acquired property now known as Mariners Village and Morgan Heights to develop housing to be occupied predominantly by low and moderate income persons and families, which included certain adjacent streets to be improved by the Agency. After dedication and conveyance, the City will maintain the areas as public streets.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 217-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests an extension of Exclusive Negotiations from September 28, 1988 to February 1, 1989, with Sunboro Development Corporation for a parcel located on Hudson Avenue between Whitney Young Circle and Ingalls Street in Hunters Point. It is proposed to construct 28 single family homes with prices ranging from \$146,000 to \$155,000. Additional time is

needed for the Agency to negotiate special LDA terms with the developer in order to achieve affordable housing on this parcel.

Mr. Bagot inquired if a lower affordability level had been discussed and President Newman indicated that it had not been discussed with the Commission.

Mr. Helfeld indicated that originally it was intended this housing would be market rate. Concern was expressed by the community and by Supervisor Ward regarding the affordability of purchasers with incomes below 120 percent of the median. However, how far below the 120 percent has not yet been determined and it will be established during the exclusive negotiations period.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 218-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests an Extension of Negotiations, from September 21, 1988 to February 1, 1989, with Progress Seven, Inc. for the development of a parcel located on Whitney Young Circle and Newcomb Avenue in Hunters Point. Additional time is needed to resolve architectural concerns and to analyze the developer's pro forma to determine the amount of Agency subsidy that will be needed to achieve affordable sales prices.

Ms. Tsen inquired if there are any affordability requirements for this project and Mr. Helfeld indicated that as with item (b), the goal is to achieve sales prices that are 120 percent of the median which will be determined during the exclusive negotiations period.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 219-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests Conditional Approval of Supplemental Indenture A in connection with the Agency's \$9,915,000 Aggregate Principal Amount of Mortgage Revenue Bonds, 1982 Series D (Bonds) and \$9,325,100 Aggregate Principal Amount of Construction Loan Notes, 1982 Series D (Notes). These Bonds and Notes were issued by the Agency to provide construction and permanent financing for Mercy Terrace, a 158 unit Section 8 project at 1500 Fell Street. During the course of administration the Bonds, the Trustee for the Bonds and Notes, Bank of America, NT & SA, made certain errors regarding redemption of Bonds and maintenance of the Reserve Fund which, if uncorrected, could result in difficulty in meeting future debt service on the Bonds from project revenues. The Trustee proposes to remedy the situation at its sole cost and expense in a manner that Agency Bond Counsel believes to be sufficient to fully protect the Bondholders. The Supplemental Indenture A, which is subject to HUD consent, will implement these corrections.

Tim Hammond, representing Bank of America, explained how the bank would rectify the errors that had been made.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 220-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Personal Services Contract with Lee Cayton, effective September 29, 1988. The contract is necessary to effect a smooth transition for the Housing Management Section upon Mrs. Cayton's retirement at the end of September. It provides for an hourly rate of \$35 with a maximum amount of \$20,000 for services on an as-needed basis during a six month term.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 221-88 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to Appoint Two New Members to the Citizens Advisory Committee (CAC) to Rincon Point-South Beach. The purpose of the Committee is to provide consultation and advice regarding policy matters concerning planning and implementation of the project. In March 1988 the Commission appointed 18 new members and reappointed 8 of the original members of the CAC which was established in July 1980. Although this new committee provides a broad base of citizen interest and concern, it is felt the appointment of Catherine Kerr as a representative of the Save the Bay organization and David Jones as a representative for the San Franciscans for Reasonable Growth organization would be a good addition to the CAC.

David Jones appeared before the Commission and thanked them for considering his appointment to the Committee.

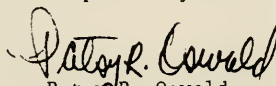
ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 222-88 BE ADOPTED.

President Newman announced that, at the request of Acting Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to California Government Code Section 54956.9(b)(1). There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

Minutes of a Regular Meeting, September 20, 1988

APPROVED: October 25, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file
with the Agency Secretary.

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9/27/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF SEPTEMBER, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of September, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Buck Bagot
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen

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The President declared a quorum present.

Gene Suttle, Acting Executive Director, and staff members were also present.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) Mr. Helfeld is out of the office on vacation until September 30 and then again from October 3 until October 11.
- (b) On September UEDC conducted a Seminar for businesses to meet with developers, investors, realtors and consultants regarding business opportunities in the New Fillmore. It was a very successful Seminar with over sixty businesses present to learn about the services of UEDC.
- (c) St. Francis Square Cooperative Housing for low-to-moderate income families in the Western Addition A-2 celebrated their 25th anniversary on September 25. Also, they have been nominated for the American Institute of Architects 25-year honor award for "architecture that has withstood the test of time". St. Francis Square continues to be a desirable place to live, with no vacancies, a long waiting list and also many of the original families still live there.
- (d) The Agency held its second open house for the Innes Avenue Expandable Homes in Hunters Point for moderate income households on September 24 and 25. More than 530 families visited and picked up brochures and applications during this time. Application deadline is October 11.

NEW BUSINESS:

- (a) Mr. Suttle introduced item (a), which requests authorization to Award a Contract for the rehabilitation of 35-45 Hollis Street in the Western Addition A-2, in an amount of \$101,713, to Coastal Construction P.M., Inc. on the basis of the lowest bid received. This building was previously rehabilitated with the intention of selling it as two condominium units through the Affordable Condominium Program in 1983. However, upon its completion there was a need to relocate the Property Management staff and it was determined to be more economical to use this Agency owned property for temporary office use, rather than to rent a similar amount of space elsewhere. The proposed contract will prepare the building for its original intended use and sale to moderate income households. At the bid opening on August 4, 1988, three bids were received with the lowest being from Coastal Construction in an amount of \$101,713, which is less than 2 percent above the Engineer's estimate. The firm's affirmative action and safety programs have been reviewed and both are considered to be satisfactory. Coastal Construction, located in San Francisco, has satisfactorily completed other rehabilitation projects in the Western Addition.

Following a discussion between the Commissioners and Mr. Suttle regarding the financing methods used to make the units affordable and the buyers being targeted, it was agreed that staff would look into what mechanisms might be available to make the income level requirement lower and report back to the Commission.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-88 BE ADOPTED.

- (b) Mr. Suttle introduced item (b), which requests authorization of a First Amendment, which changes the designation of a subparcel, to the Agreement with Chambers General Construction Company for the development of thirteen parcels located on Lindsay Circle and Carpenter Court off Whitney Young Circle in Hunters Point. Pursuant to the terms of an LDA authorized in April 1988, four of the lots are under a Memorandum of Option to Purchase and Design and Build Agreement between the Developer and certain qualified individual purchasers. Mr. and Mrs. Jimmie Wilson, the designated purchasers of Subparcel S-4-16, have requested a change to Subparcel S-4-9. The Developer has agreed to this change which will not cause any delay in the development.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 224-88 BE ADOPTED.

- (c) Mr. Suttle introduced item (c), which requests authorization for two Agency Commissioners and Executive Director, Edward Helfeld, to travel to Toronto, Canada, to evaluate the capacity of YBG Associates to assume the role of Qualified Manager for the Retail Parcels in Yerba Buena Center. In reviewing this matter, some

uncertainties have developed and it is requested the item be continued to the meeting of October 11, 1988.

Mr. King indicated that Rouse was one of the major reasons the contract was given to Olympia & York. It would be incorrect to expend \$3,900 for something that may not materialize and until the Commission gets a full insight into the future. Olympia & York should appear before this Commission before money is spent on travel to look at their projects.

President Newman noted his concern that the Rouse Company is withdrawing from this project because it was one of the key factors in the award of the whole Yerba Buena project to Olympia & York. The Rouse Company is certainly one of the eminent retail management companies in the United States and were a critical part of that partnership. The whole package should be reviewed to see what alternatives there are for retail management. Olympia & York can be considered but so can others because it is vital to the success of Yerba Buena Center and should be given careful study.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c), RESOLUTION NO. 225-88, WOULD BE CONTINUED TO THE MEETING OF OCTOBER 11, 1988, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (d) Mr. Suttle introduced item (d), which requests authorization of a Personal Services Contract with Redmond F. Kernan effective September 29, 1988. Mr. Kernan, Senior Deputy Executive Director, will be retiring at the end of September and for transition purposes it is recommended he provide consulting services until June 30, 1989. A contract has been negotiated at an hourly rate of \$60 with a maximum amount payable of \$78,000. This arrangement will be of benefit to the Agency in maintaining continuity in its program and funds are available through anticipated salary savings.

The Commissioners expressed appreciation to Mr. Kernan for his assistance over the years; wished him the best in his future endeavors; and indicated they were pleased he would remain with the Agency in a consultant capacity for the next nine months.

Mr. Kernan thanked the Commission for approving the contract.

Mr. Suttle indicated that he and staff greatly appreciated Mr. Kernan's counsel and assistance over the years.

- (e) Mr. Suttle introduced item (e), which Commends Lee Cayton; item (f), which Commends May Jennings; item (g), which Commends Bernice Watkins; and item (h), which Commends Wes Willoughby.

Mrs. Watkins retired on August 20, 1988 and Mrs. Cayton, Ms. Jennings and Mr. Willoughby will retire on September 29, 1988. Lee Cayton has served the Agency for nearly 19 years. She started as a Housing Specialist at the Western Addition A-2 site office,

following which she became a Community Services Specialist for the Relocation Services Office. Mrs. Cayton's position was later reclassified to Housing Management Supervisor and over the years she has assisted low-to-moderate income families find decent housing within the Agency's project areas. May Jennings has served the Agency for approximately nine years during which time she worked as a Senior Clerk Stenographer for the Western Addition A-2 Administration and Rehabilitation Departments where she applied her many skills. Bernice Watkins has served the Agency for over twenty years. She began as a Community Services Representative at the Western Addition A-2 site office and, after several promotions, became Assistant Supervisor, Residents and Business Services. As President of the Redevelopment Section of the United Employees Local 790, she was a strong and dedicated leader for the union membership. Wes Willoughby has served as the Agency's Director of Community Information for over twenty years. His journalism background, knowledge and discretion have always given the Agency the best possible skills and dedication to the Agency's goals. Each of the retirees will indeed be missed and this opportunity is taken to wish them all a happy retirement and all the best in their future undertakings.

The Commissioners expressed appreciation to Lee Cayton for her services to the Agency. Mrs. Cayton thanked the Commission for the Commendation.

The Commissioners expressed appreciation to May Jennings for her services to the Agency. William Nakamura, Chief, Engineering and Rehabilitation, noted that the Agency is losing a valued employee and he wished Ms. Jennings the best for the future. Ms. Jennings thanked the Commission for the Commendation.

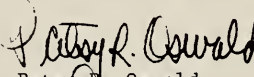
The Commissioners expressed appreciation to Bernice Watkins for her services to the Agency. James Nybakken, Administrative Services Officer, noted that Mrs. Watkins, as President of Local 790, had worked diligently to benefit Agency employees.

The Commissioners expressed appreciation to Wes Willoughby for his services to the Agency. Mr. Willoughby thanked the Commission for the Commendation and for their cooperation over his years with the Agency.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:35 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

Minutes of a Regular Meeting, September 27, 1988

APPROVED: October 25, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file
with the Agency Secretary.

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10/4/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF OCTOBER, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of October, 1988, the place and date duly established for the holding of such a meeting.

The By-Laws require that, in the absence of a President and Vice President, the Commissioners select a Commissioner present as Temporary President for the purpose of conducting the meeting and performing the duties of President.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED TEMPORARY PRESIDENT.

The Temporary President called the meeting to order and on roll call the following answered present:

Charlotte Berk, Temporary President
Buck Bagot
Carl D. Gustavson
Leroy King
V. Fei Tsen

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and the following was absent:

Walter S. Newman, President
Haig G. Mardikian, Vice President

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The Temporary President declared a quorum present.

Gene Suttle, Acting Executive Director, and staff members were also present.

Also present were: Dr. Rhody McCoy, Future Perfect, Inc.; Katherine Nash; Douglas Jenkins; Ace Washington, WAPAC; Christine Sarch, Salvation Army Senior Center; Douglas Ross, SBMA; Jane Herzog; Ln Soo Kim, Ssangyong International, Inc; and Ocie Rogers.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Gene Suttle reported to the Commissioners on the following matters:

- (a) Mr. Helfeld is on vacation this week and will be back in the office on October 11, 1988.
- (b) The Japanese Cultural and Community Center of Northern California will be holding their kick-off celebration on October 22 from 2-4 p.m. at 1840 Sutter Street. This is the beginning of construction for their Community Hall/Gymnasium/Art Exhibit Room and Creative Arts Workshop. Congressman Robert T. Matsui will be the keynote speaker.

- (c) The M. Justin Herman Award was presented to Congressman Henry Gonzalez from Texas who has made many contributions to housing and community development. This award carries a cash gift of \$1,000 which was started by donations made at the time of Mr. Herman's death and each year produces enough to provide \$1,000 with some help from NAHRO. The award was developed to provide a living acknowledgement of the standard of excellence Mr. Herman established in housing and community development and to recognize the contributions he made to the beauty and vigor of San Francisco as this Agency's Executive Director.
- (d) A communication has been received from Commissioner Fei Tsen that she owns an undivided half interest in property at 1913-1915 Ellis Street, which is located within the Western Addition Redevelopment Project Area A-2. Under the California Health and Safety Code, Agency Commissioners are prohibited from acquiring certain interest in property in a Redevelopment Project Area after they become Commissioners. If a Commissioner has such an interest at the time of the appointment he or she is required to make written disclosure to the Agency and to the City and that disclosure is entered into the minutes of the Agency and the City. Commissioner Tsen's disclosure and its inclusion in this Director's Report is in full compliance with this requirement.

NEW BUSINESS

- (a) Mr. Suttle introduced item (a), which requests Modification of the Sales Program, to allow lower down payments by increasing the second mortgages to the Agency, for sixteen Expandable Homes on Innes Avenue in Hunters Point. In June 1988, a marketing and sales program was approved which required the homes to be sold to households with incomes no greater than 120 percent of the median. It requires a minimum 10 percent down payment with the Agency paying for non-recurring closing costs and also providing a second mortgage to allow such households to qualify. Under the present program the Agency's costs would not exceed \$40,000 per unit. It is now proposed that when a buyer qualifies for the program, but does not have the 10 percent down payment or whose income is too low to meet the minimum housing expense, that the down payment be lowered to no less than 5 percent and, if necessary, the minimum housing expense be lowered and added to the Agency's second mortgage. Cost to the Agency would not exceed \$47,000 per unit and assistance would only be given to Certificate Holders and residents of zip code area 94124. It is believed this process will allow a greater percentage of the 100 to 120 percent of median income households to be served. All other provisions and conditions of the housing program remain the same.

Lee Cayton, Housing Management Consultant, responded to questions from Ms. Tsen regarding the profile of the applicants, i.e. income levels, family size, etc. and the restrictions to keep the units affordable for thirty years. Ms. Tsen indicated this is a laudable program in providing homeownership to those not able to

purchase. However, she calculated the subsidy is about \$60,000 per unit in which case there should be more permanent affordability than this program for thirty years. This is an issue she would like looked at for future developments.

Mr. Bagot indicated he too would like to see more permanent affordability and lower income persons targeted in the Agency's future housing programs.

Lee Cayton noted that State law requires the Agency to keep the units affordable for only ten years, however, Mr. Helfeld had insisted that these units be affordable for at least thirty years.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 231-88 BE ADOPTED.

- (b) Mr. Suttle introduced item (b), which requests approval of a Financial Land Use in the Bayview Plaza Commercial Center in the India Basin Industrial Park. To assist in the lease-up of this 89,000 square foot community shopping center, the developer desires approval of a financial institution land use of approximately 3,000 square feet. The India Basin Redevelopment Plan requires approval of any proposed retail and business services land use by the Commission. This is the first request and staff anticipates others as the Developer negotiates with potential tenants. Staff believes, and the Mayor's Office of Business and Economic Development concurs, that a financial institution will be beneficial to other business in the center and to the community. Representatives of the Developer and the Mayor's Office are present. Also, the Mayor's Office intends to make a public announcement naming the financial institution at the conclusion of negotiations on October 12.

Mr. Bagot noted that financial institutions are of benefit to community residents and hoped government checks would be cashed free of charge and life line checking accounts instituted. In addition, community residents should have priority access to jobs although he understood this is difficult to monitor.

Mr. Suttle indicated that if the same procedures are followed as the Safeway store in the Western Addition then he believed the hiring could be monitored satisfactorily for a three year period.

Ms. Tsen indicated that financial institutions are the life blood of a neighborhood to cash checks, deposit funds, and get loans to expand businesses and she was pleased to see one opening rather than closing.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-88 BE ADOPTED.

- (c) Mr. Suttle introduced item (c), which requests authorization to advertise a Contract to Abate existing Code Deficiencies at 693 Mission Street (Williams Building) in Yerba Buena Center. The

contract covers work required by the City's Bureau of Building Inspection and the Fire Department, and includes strengthening of the parapets and upgrading of the fire protection and domestic water systems. Presently, there are fourteen tenants occupying the building and it is planned to relocate all except one of these tenants to the five lower floors. It is felt this is the most economically feasible alternative based upon rental income versus the cost of remedial code work and fixed maintenance services and utility costs inherent in the operation of this building. The building is scheduled to be conveyed to the developer for rehabilitation in conjunction with the development of the CB-2 office building. In the interim it is considered to be in the best interest of the City and the Agency to keep the building open and occupied precluding the appearance of a boarded up, abandoned building.

Ms. Tsen inquired what the plans are for 693 Mission and Mr. Suttle indicated this property is to be developed by Olympia & York in approximately three years.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 233-88 BE ADOPTED.

- (d) Mr. Suttle introduced item (d), which requests authorization to pay to Handypersons, Inc., an amount of \$11,047 and requests ratification of work performed for emergency lighting and fire alarm repairs at 693 Mission Street (Williams Building) in Yerba Buena Center. In July 1988 the San Francisco Fire Department Inspector stated that for the safety of the fourteen tenants, code violations for which the Agency had been cited previously, needed to be corrected immediately. Based upon this emergency situation, staff had Handypersons, Inc. perform the required work.

In response to an inquiry from Ms. Tsen regarding the Agency's bidding procedures, Mr. Suttle indicated that usually staff tries to get three bids, but it depends on the circumstances; the availability of people within the particular trade; and the time-frame needed to perform the work.

Ms. Tsen inquired if there is a list of companies the Agency contacts for repair work and Mr. Suttle indicated that for normal repairs and maintenance purchase orders lists are maintained, however, the work performed at 693 Mission was not in the normal course of repairs.

Fred McCollough, Supervisor, Central Maintenance/Property Management, indicated that the two companies contacted in this instance had been recommended by the San Francisco Fire Department.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-88 BE ADOPTED.

- (e) Mr. Suttle introduced item (e), which requests authorization of a Rental Agreement with the Salvation Army Senior Center (Center) for the temporary use of a portion of Block 3751 fronting on Fourth Street between Harrison and Folsom Streets in Yerba Buena Center. The Center will use the space as a parking area for a 24 passenger vehicle to be used for providing transportation for their clients. The Agreement provides for: a monthly rental of \$25; termination of the tenancy upon thirty days notice; and the tenant to provide the necessary insurance coverage. The Center is a non-profit agency which provides a wide range of social services for the senior population living on limited incomes in government subsidized housing.

Christine Sarch, representing the Salvation Army Senior Center, thanked the Commission for considering this item which will be of great benefit to seniors and handicapped persons.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 235-88 BE ADOPTED.

- (f) Mr. Suttle introduced item (f), which requests and Expenditure of Funds, not to exceed \$7,000, to Architectural Models, Inc. to provide model making services in connection with Yerba Buena Center. It is proposed to expand and modify an existing base model constructed for the Agency and Mitchell-Giurgola for the Esplanade design. This will provide an opportunity to view the model of each developer's proposal within the overall context of YBC and the adjacent area. The Commission has been provided with details of the firm's affirmative action program which staff considers acceptable.

Ms. Tsen inquired if there is a policy for open bids and Mr. Suttle indicated that any contract requiring construction, besides improvements, must be competitively bid in accordance with State law. However, professional contracts, such as the one before the Commission today, are negotiated.

In response to questions from the Commissioners, Edmund Ong, Chief of Architecture, indicated that the original model was constructed and paid for by Mitchell-Giurgola as part of their contract in designing the Esplanade. The cost was approximately \$20,000. Mitchell-Giurgola is now adding and expanding that model for the Agency's purposes.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 236-88 BE ADOPTED.

- (g) Mr. Suttle introduced item (g), which requests authorization of a loan in an amount of \$600,000 to Bayside Village Associates.
- (h) Mr. Suttle introduced item (h), which requests authorization of a loan in an amount of \$1,700,000 to S.B.M.A. Limited.

Frank Cannizzaro, Project Director, Rincon Point-South Beach, reported on items (g) and (h). The loans are for public improvements which the developers will construct in the vicinity of their developments in Rincon Point-South Beach. In August 1988 the Agency adopted a resolution expressing its intent to sell special tax bonds to finance public infrastructure improvements in connection with Community Facilities District No. 1 (South Beach). The Mello Roos Community Facilities Act of 1982 under which the District was formed allows construction of public facilities by the Agency or acquisition of public facilities constructed by others. Bond funds are not expected to be available until December 1988 and funds from the proposed loans will permit construction of improvements to continue and be completed at the earliest possible time. Ultimately, the District is expected to acquire these improvements from the developers with funds raised from assessment bonds or direct payments from the Agency. Funds received by the developers from the sale of improvements they constructed will in turn be used to pay back their obligations the Agency. Funds received by the developers from the sale of improvements they constructed will in turn be used to pay back their obligations to the Agency. The loans will permit the street improvements in the vicinity of the SBMA and BVA developments at the earliest possible time. The loans will be secured by junior deeds of trust on the respective developments, however, given the magnitude of superior liens, it is unlikely that the Agency can expect to recover from the property in the event of default. These loans should thus realistically be evaluated as unsecured. However, given the apparent value of the project, the equity invested by the developers, and the absorption rate to date, it is believed that default is unlikely. Furthermore, the Agency had budgeted funds to cover this work anyway and staff regards its expeditious commencement as central to future development of the surrounding areas.

Mr. Gustavson expressed concern regarding the risk of these unsecured loans and what would happen if they are not approved by the Board of Supervisors.

Frank Cannizzaro, Project Manager, Rincon Point-South Beach, assured the Commissioners that the risks were minimal and Mr. Borregard, Agency General Counsel, noted that he saw no reason why the Board of Supervisors would not approve the Bond issue as the City will be gaining new streets at no cost.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION 238-88 BE ADOPTED.

- (i) Mr. Suttle introduced item (i), which requests authorization to Accept Renewal of the Group Life Insurance Contract with Standard Insurance Company. Standard has increased the group life insurance monthly premium from a total of 38 cents to 43 cents per

\$1,000 of coverage, effective October 1, 1988. Benefits consultant William M. Mercer-Meidinger-Hansen has remarketed the coverage for the Agency and the Standard quote is the most favorable received. The group life insurance is provided as an employee fringe benefit and the cost is shared equally between the Agency and the employee. Staff believes Standard has prepared a fair and equitable rating based upon past actuarial experience.

Ms. Tsen inquired how the Agency employee benefits compared to the City employee benefits.

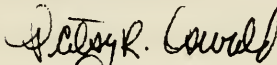
Ms. Berk requested a Workshop be held regarding this subject.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-88 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Gustavson, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: November 1, 1988

NOTE; These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file with the Agency Secretary.

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10/11/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF OCTOBER, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of October, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Buck Bagot
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen

and the following was absent:

Walter S. Newman, President

The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: George Connor, Coldwell Banker; and Ace Washington, WAPAC.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of August 16, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of August 30, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of September 13, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of September 20, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Wes Willoughby Tribute will be held on October 14 from 5:30 to 8:00 p.m. at the Miyako Hotel's Garden Room.

DOCUMENTS

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- (b) The next Agency meeting, October 18, 1988, will be held at the College of Podiatric Medicine at 1835 Ellis Street for a Workshop to present staff's summaries of the responses for the Request for Proposals for Block 732 in the Western A-2.
- (c) An informational memorandum has been distributed to the Commissioners regarding a construction cost overrun in connection with the Fillmore Center Project.
- (d) There is a vacant seat on the Citizens Advisory Committee for Fisherman's Wharf for a Commissioner of this Agency who would replace Melvin Lee. The Committee meets once a month with the next meeting on October 19 at 4:00 p.m. at the Telegraph Hill Neighborhood Center, 660 Lombard Street.

Acting President Mardikian indicated he would prefer the appointment be made after President Newman returns.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization for two Agency Commissioners and Executive Director, Edward Helfeld, to travel to Toronto, Canada and New York City, October 22-25, 1988, to evaluate the capacity of YBG Associates to assume the role of Qualified Manager for Retail Parcels in Yerba Buena Center. It is requested this item be tabled.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 225-88, BE TABLED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests approval of a Drugstore Land Use in the Bayview Plaza Commercial Center in the India Basin Industrial Park. The India Basin Redevelopment Plan requires approval of any proposed retail and business services land use by the Commission and other requests will be forthcoming as the developer negotiates with potential tenants. The drugstore use is considered by staff to be appropriate for the center and that having Walgreen's as an anchor tenant will enhance the success of other businesses. An added benefit will be that Walgreen's intends to hire approximately thirty employees with first priority being given to community residents. The Mayor's Office of Business and Economic Development, members of the Board of Supervisors, neighborhood associations and citizens of the Bayview-Hunters Point District have been involved in various issues related to Walgreen's being a tenant in the center and there are no outstanding matters. The final amount of space for each use will not become fixed until the leases are executed and could differ significantly from the developer's current estimate.

Mr. Bagot noted his concern regarding priority hiring of community residents and how that would be monitored. James Wilson, Project Director, Hunters Point/India Basin Industrial Park, indicated that the LDA requires hiring preference be given to community residents and that the Agency's affirmative action staff and the Young Community Developers organization would monitor the hiring for three years.

George Connor, Coldwell Banker, representing Bayview Plaza, indicated that the lease with Walgreen's requires that hiring preference be given to community residents.

Mr. Helfeld indicated that the Commission would be kept informed on the hiring status of the Walgreen's drugstore.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THE RESOLUTION NO. 240-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to extend Exclusive Negotiations from October 12 to November 16, 1988, with Chong Wong and Matthew Huey for 1905-1907 O'Farrell Street in the Western Addition A-2. It is proposed to rehabilitate this two-story Victorian building constructed in 1895 as two residential rental dwelling units. Additional time is needed to finalize the provisions of the LDA; complete the process for an off-street variance which will be brought before the Commission for consideration at a future date; and publish the necessary public hearing notice.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 241-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to add Agency General Counsel; delete the position of Senior Deputy Executive Director; and change the Principal Accountant to Financial Systems Accountant as Agency Check Signers. It is proposed to assign Agency General Counsel as a check co-signer in place of the Senior Deputy Executive Director who has retired. Also, since the position of Principal Accountant to Financial Systems Accountant it is desired to designate check signing to that position. The other designated check signers remain unchanged. These changes will ensure there are adequate co-signers available at all times. These changes will ensure there are adequate co-signers available at all times.

The Commissioners requested this item be continued for one week to more clearly define which positions will be designated as Agency check signers.

Mr. Bagot noted his concern about unspent CDBG funds and Ms. Tsen indicated it would be useful if staff would brief the Commissioners on the overall budget.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 242-88, BE CONTINUED FOR ONE WEEK.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

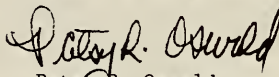
- (a) Ace Washington, WAPAC, addressed the Commission regarding: loan of former WAPAC or Agency-owned furniture to the Dukakis Campaign; Police Report on WAPAC extortion; WAPAC tour of the Fillmore; the wages of persons being hired by Dillingham Construction; and requests for transcripts of the Agency meetings of April 19, May 2 and August 23, 1988.

Mr. Helfeld suggested that staff respond in writing to Mr. Washington and provide copies to the Commission.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Gustavson, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: November 1, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file with the Agency Secretary.

SF
R35
4
10/18/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF OCTOBER, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the College of Podiatric Medicine, 1835 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 18th day of October, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Buck Bagot
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen

DOCUMENTS 1 1

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and the following was absent:

SAN FRANCISCO
PUBLIC LIBRARY

Walter S. Newman, President

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Jim San Jule; Fannie McElroy, WAJUMBE; Stan Smith, Secretary Treasurer, San Francisco Trades Council; Geraldine Johnson; Mary Rogers; Ben James; Ace Washington and Randall Evans, WAPAC; Grandvel Jackson, Westbay Local Development Corp; Third Baptist Church; Douglas Jenkins; Dr. James Woods; G. Rip Ridley; Katherine Nash; Ocie Rogers; Yvette McCoy and Randy Jackson, Future Perfect, Inc; Pauline Fisher; Samuel Roberson; Wil Stevens, Pryor, Govan, Counts & Co., Inc; Edward Collins; George Thodos; Jesse J. Byrd; Douglas Jenkins; Anita Patton, Thomatra N. Scott, Japanese Youth Council; Carol Daniels; Dr. Caesar A. Churchwell; Lionel Hodge; Don Washington, Jazz Action Movement and Third World Acts International; Jeanette Dinwidde-Moore; Black Agenda Council; Mary Helen Rogers; Dave Lang, American Realty Construction, Inc; Daniel Soberay, Western Commercial; Peter Wilhelm, Kimball Park Homeowners; Cordell Olive, Jr; Gordon Stankowski, GNS, Inc; Essie Collins; Nolan Frank; U.H. Moore; Noel Kahill, H.J. Russell Company, representing Fillmore Market Place Associates; Charles Collins, representing Fillmore Renaissance Associates, Ltd; and Robert Luster representing San Francisco Associates Development Group.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of September 6, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) The Lottery for the sixteen affordable expandable homes on Innes Avenue will be held on October 25, 11:00 a.m., at the Earl Mills Community Center, 100 Whitney Young Circle in Hunters Point.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which was continued from the meeting of October 11, 1988, and requests authorization to add Agency General Counsel as a co-signer on all the Agency's bank accounts and to approve the Agency's Financial Systems Accountant as a signer on these accounts. Agency General Counsel would be assigned as a check co-signer in place of the Senior Deputy Executive Director who has retired. In April 1987, the employee in the position of Principal Accountant was promoted to the vacant position of Financial Systems Accountant, however, the employee's duties as a check signer did not change.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 242-88 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Personal Services Contract with Paul M. Friedberg & Partners to provide design review and conceptual design services for the Starlight Garden on Central Block 3 (CB-3) in Yerba Buena Center. In February 1986, contract negotiations were authorized with the Friedberg firm to design the Starlight Garden but plans were delayed because of the Moscone Convention Center expansion. Olympia & York is now proceeding with the conceptual design for the retail and entertainment uses surrounding the garden and Mr. Friedberg would assist the Agency in assessing the impact of the developer's proposals on the garden space and guide design efforts. The current discussion of the CB-3 uses to be developed by Olympia & York indicate that significant rearrangement of the uses and building massing may be proposed. Therefore, before they become fixed, it is important that their potential impact on the Starlight Garden be fully assessed to assist in finalizing program and building footprints from which both the architectural and garden design can then proceed. The contract is on a time and materials basis in an amount not to exceed \$30,000. Details of the firm's affirmative action program, which is considered satisfactory by staff, have been provided to the Commission.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 243-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to pay premiums for Marine Operator's Liability, Property and

Earthquake Insurance for the South Beach Harbor in Rincon Point-South Beach. The current insurance policies for the Harbor will expire on October 18, 1988, and it is proposed to renew the insurance through Curtis Day & Company at an estimated cost of \$57,646 compared to \$72,873 last year. Six brokerage firms bid on the coverage and the quote from Curtis Day & Company was the lowest responsive bid received. The coverages comply with the Port's lease requirements and satisfy the requirements of the loan from the California Department of Boating and Waterways and the Revenue Tax Allocation Bonds.

Mr. Bagot requested a status report on this Project and indicated he believed it could be covered during a tour of Rincon Point-South Beach scheduled for Ms. Tsen and himself.

Mr. King requested all the Commissioners be given a status report and Mr. Helfeld indicated this would be arranged.

James Nybakken, Administrative Services Officer, responded to questions from the Commissioners regarding the qualifications of the bidders and the firm's affirmative action program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-88 BE ADOPTED.

- (c) & (d) Mr. Helfeld introduced item (c), which Commends Blondine Gulley and item (d), which Commends Samuel Roberson. Both items commend and express appreciation to staff members upon their retirement from the Redevelopment Agency. Mrs. Gulley retired from the Agency in January 1988 and Mr. Roberson retired in February 1988. Mrs. Gulley served the Agency for twenty years. She began as a Cashier and, after a number of promotions, became Residents and Business Services Supervisor. Mrs. Gulley will be remembered for her dedication to the Agency and outstanding service to the community. Mr. Roberson served the Agency for twenty years, starting as Clerk Enumerator. In his last position as Assistant Supervisor, Residents and Business Services, he served the Agency well and showed great concern for the residents of the community. Both of the retirees are indeed missed and this opportunity is taken to wish them a happy retirement and all the best in their future undertakings.

Acting President Mardikian expressed appreciation to Samuel Roberson for his services to the Agency and Mr. Roberson thanked the Commission for his Commendation.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 246-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to Appoint the First Boston Corporation and Pryor, Govan, Counts and

Company, Inc. as Underwriters of Special Tax Bonds proposed to be issued for Community Facilities District No. 1, South Beach, in Rincon Point-South Beach. These Bonds in an approximate amount of \$5.4 million will be used to finance public improvements in Rincon Point-South Beach. Included in certain resolutions adopted in August 1988 forming the District, was the Agency's intention to issue special tax bonds to finance public infrastructure improvements, subject to the approval of the Board of Supervisors. In response to a Request for Proposals sent to 24 firms, 10 responded to serve as managing underwriter for the prospective bond issue. Following review by a staff selection panel and subsequent interviews, First Boston is considered the most qualified for this assignment. First Boston has agreed to joint venture with the minority (black) owned investment banking firm of Pryor, Govan, Counts Company, with whom they recently joint ventured as Financial Advisors to the City in connection with the Moscone Convention Center expansion financing. The affirmative action programs of both firms have been reviewed and are considered to be satisfactory. The fees are very favorable and will be paid from bond sale proceeds.

Frank Cannizzaro, Project Director, Rincon Point-South Beach, explained the selection process, fee structure and the relationship between First Boston and Pryor, Govan, Counts Company.

ADOPTION: IT WAS MOVED BY Mr. GUSTAVSON, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 247-88 BE ADOPTED.

- (f) Workshop to present summaries of the Responses to the Request for Proposals for the development of Parcel 732 in the block bounded by Fillmore, Eddy, Webster and Ellis Streets in the Western Addition A-2.

Mr. Helfeld presented a summary of each proposal.

Noel Kahill, H.J. Russell & Company, made the presentation for Fillmore Market Place Associates, Ltd.

Charles Collins made the presentation for Fillmore Renaissance Associates, Ltd.

Robert Luster made the presentation for San Francisco Associates Development Group.

The following persons spoke regarding item (f).

Jim San Jule; Fannie McElroy, WAJUMBE; Stan Smith, Secretary-Treasurer, San Francisco Trades Council; Geraldine Johnson; Mary Rogers; Ben James; Ace Washington, WAPAC; Grandvel Jackson, Third Baptist Church; Douglas Jenkins; Dr. James Woods; G. Rip Ridley; Randall Evans, WAPAC; and Katherine Nash.

Minutes of a Regular Meeting, October 18, 1988

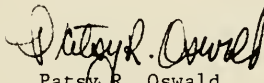
Ms. Tsen inquired if the proposals include assistance from the Agency to make the units affordable and the developers all replied affirmatively.

Ms. Tsen requested the developers to explain any mechanisms which can be employed to make the housing even more affordable than the 80 percent of median income stipulated in the Request for Proposals and Acting President Mardikian requested the developers respond in writing.

ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:40 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald", written in a cursive style.

Patsy R. Oswald
Agency Secretary

APPROVED: November 15, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file with
the Agency Secretary.

SF
R35
#4
10/25/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF OCTOBER, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of October, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Haig G. Mardikian, Acting President
Buck Bagot
Charlotte Berk
Leroy King
V. Fei Tsen

DOCUMENTS

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and the following were absent:

Walter S. Newman, President
Carl D. Gustavson

SAN FRANCISCO
PUBLIC LIBRARY

The Acting President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Dr. R.A. McCoy and Yvette McCoy, Future Perfect, Inc; William B. Cook; Ocie Rogers; and Ace Washington, WAPAC.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of September 20, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of September 27, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) This morning several Commissioners attended the Lottery for the expandable homes on Innes Avenue in Hunters Point. Mayor Agos drew the first ten names and also toured the homes.
- (b) On November 1, James Polshek will present his Schematic Design for the 750 seat Theater and design associates from Fumihiko Maki's firm will present the Schematic Design for the Visual Arts Building at a reception and slide presentation at the Theater Artaud at 17th and Florida Streets.

- (c) On October 24 at 10:30 a.m. Press Conference has been arranged to announce that California First Bank will be moving into Bayview Plaza.
- (d) On October 24, the Board of Supervisors approved the issuance by the Agency of \$5.4 million in bonds pursuant to the Mello-Roos Community Facilities Act of 1982 to finance public infrastructure improvements in Rincon Point-South Beach.
- (e) A Resolution has been introduced by Supervisor Walker concerning the establishment of a survey area for redevelopment purposes in Bernal Heights. There is concern in the community that upon expiration of the existing moratorium that improper development will occur. An extension of the moratorium therefore appears to be desirable to provide time for discussions on how to proceed. There are parts of Bernal Heights which are slope areas where there are inadequate streets, sewers, water pressure, etc. It needs to be determined how much it will cost to provide these facilities and what is the cost benefit to the City, given the method of funding proposed by the neighborhood group, which is tax increment. Also whether the lots that become available will be for affordable housing.

Mr. Mardikian noted that the Lottery for the Innes Avenue homes was an exciting event.

Ms. Tsen noted that the units improve the street and provide affordable housing.

Ms. Berk noted her enthusiasm for the project and inquired about the original homes and James Wilson, Project Director, Hunters Point, indicated that the original units that were built three years ago are still occupied by the same owners.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Personal Services Contract with Quan & Arima for Professional Examination of the Agency's Records to verify the Minority or Woman-owned Enterprises (M/WBE's) Status for All Redevelopment Project Areas. A requirement of the Agency's M/WBE Program is that staff authenticate M/WBE's proposed to be counted towards meeting the goals contained in the contracts of developers and contractors. On occasions staff may have reason to believe that an M/WBE is functioning as a cover for a non-M/WBE. At this time there are two cases to investigate and Quan and Arima has agreed to ninety days to conduct the two examinations and prepare its findings. The hourly rate is \$50 and the total amount will not exceed \$5,000.

Ace Washington inquired which firms and locations are involved. Mr. Helfeld indicated there are two specific cases involved, however, it is not considered appropriate at this time to identify the firms or where they are located.

Mr. King noted his concern that, although this is a minority firm, that some minorities are not represented.

Ms. Tsen inquired if other bids had been requested and Ben Hattem, Affirmative Action Officer, indicated that in this case other bids had not been requested because it is a matter of urgency to make the investigations. This firm was selected because they have performed satisfactory work for the Agency in the past and for the Human Rights Commission.

The Commissioners noted concern as to whether there is in-house capacity to perform the work and Mr. Helfeld indicated that infrequently staff needs outside assistance for special investigations.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 248-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an Amendment to the Personal Services Contract with William B. Cook for Cultural Planning Services in connection with Yerba Buena Gardens in Yerba Buena Center. Mr. Cook has been assisting the Agency and the Operating Board for the YBG Cultural Center since March 1988 as a consultant. In addition to assisting the President in general Board organization and working closely with the Board Committee, he has completed a new prospectus for the Center which is being put to many uses. The Amendment will increase the contract by \$18,000 for a total amount of \$30,000 and will permit continuance of Mr. Cook's services through 1988.

Mr. Mardikian and Ms. Berk, as members of the Cultural Operating Board, expressed their high regard for Mr. Cook's abilities and noted the Agency is indeed fortunate to have his services.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests approval of a Retail Clothing Store land use in the Bayview Plaza Commercial Center in the India Basin Industrial Park. This is the third land use request in accordance with the Redevelopment Plan which requires Commission approval of any proposed retail and business land use. The prospective tenant is Myron & Gail Sportswear and a loan commitment has been received through the Mayor's Office of Business and Economic Development to assist in relocating from their present premises at 5177 Third Street.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Second Amendment to Rental Agreement with Western Commercial Partnership II (WCP II); Western Addition A-2. Under the Rental

Agreement, WCP II has been using the Agency-owned parking lot located behind the Safeway store between Eddy, Webster, Fillmore and a closed portion of Ellis Street. The current Agreement, authorized in November 1986, will expire on November 7, 1988. Renewal of the lease is proposed for one year, on a month to month basis, at an increased rental from \$3,200 to \$3,340 per month which is comparable to other rental rates in the area.

Mr. Mardikian inquired how the parking would be handled during the construction on Parcel 732. Mr. Suttle, Deputy Executive Director, indicated that it is anticipated at the time the parking lot operation is discontinued that the Commission will be requested to grant a variance to WCP II for the absence of parking spaces during construction and until the developer on Parcel 732 has the eighty additional parking spaces in place.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 251-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization for the Executive Director to Delegate the Authority to execute Agency Documents. The Agency Resolutions which authorize execution of contracts, deeds and other Agency documents typically provide for signature by the Executive Director. Because of the large number of documents which require execution on a daily basis, it would assist the Executive Director to have the capacity to delegate this function to appropriate staff persons.

Following a discussion between the Commissioners and Executive Staff, it was agreed that item (e) be continued to the meeting of November 1, 1988, for staff to provide specific titles giving authority to sign documents.

RULE OF THE CHAIR: ACTING PRESIDENT MARDIKIAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY OF ANY COMMISSIONER, ITEM (e), RESOLUTION NO. 252-88, WOULD BE CONTINUED FOR ONE WEEK. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (f) Mr. Helfeld introduced item (f), which requests authorization for Helen Sause, Yerba Buena Center, and James Wilson, Project Director, Hunters Point/India Basin/Western Addition A-2, to travel to San Diego, California, November 19-22, 1988, to attend the National Association of Housing and Redevelopment Officials (NAHRO) Pacific Southwest Regional Council Workshop at a cost not to exceed \$1,350. Ms. Sause will attend in her capacity as NAHRO President and Mr. Wilson will represent the NAHRO Northern California Chapter as Chapter President. There will be a number of sessions pertinent to the Agency's programs.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-88 BE ADOPTED.

- (g) Mr. Helfeld indicated that the Commission has been provided with staff's summaries of each of the developer's responses to the

Request for Qualifications to develop Parcel 3707-A, East Block 1, in Yerba Buena Center. Some of the developers have requested an opportunity to present their proposals, qualifications and background to the Commission.

It was the consensus of the Commission that all fifteen developers be given an opportunity to present their proposals to the Commission.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

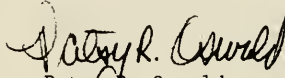
- (a) Ace Washington, WAPAC, indicated that WAPAC has received a non-profit status from the State Franchise Board today and noted he had requested the following from the Legal Department: tape recordings of the Agency Meetings of April 19, May 2 and August 23, 1988; a report that was filed by Gene Suttle on Agency paper; all WAPAC's records and files. He noted that there is a law suit filed by Housing Associates against Dillingham Construction Company.

Acting President Mardikian announced that at the request of Agency General Counsel, there will be a Closed Session on Litigation pursuant to Government Code Section 54956.9(b)(1).

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to a Closed Session on Litigation. The meeting adjourned at 5:00 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: November 15, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file with the Agency Secretary.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF NOVEMBER, 1988

NOV 7 1989
SAN FRANCISCO
PUBLIC LIBRARY

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of November, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Buck Bagot
Charlotte Berk
Leroy King
V. Fei Tsen

and the following were absent:

Haig G. Mardikian, Vice President (Arrived 4:10 p.m.)
Carl D. Gustavson

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Berri McBride, Summit Partners; Ocie Rogers; Douglas Jenkins; J. Kilbuth; Yvette McCoy and Dr. R. McCoy, Future Perfect, Inc; Rachel and Alan Wong, McDonald's; Mel Miles, Parent-Infant Neighborhood Center, Inc; Susan Nakata, Mayor's Office of Business & Economic Development; Geraldine Johnson, Coalition of Black Trade Unionists and The Thursday Group; Randall Evans, WAPAC; and Robert Innes, MMI Partners.

Representing the press was: Gerald Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of September 13, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unaimously carried that the minutes of the Regular Meeting of October 4, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Ms. Tsen, and unanimously carried that the minutes of the Regular Meeting of October 11, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

Minutes of a Regular Meeting, November 1, 1988

- (a) There will not be an Agency Meeting on November 8. It is requested that today's meeting be continued to November 9 at 2:30 p.m. in the Agency's Fourth Floor Conference Room for the purpose of a Workshop to present the Schematic Design for the Yerba Buena Gardens Visual Arts Building in Yerba Buena Center.
- (b) The Mayor's Fiscal Advisory Committee honored Agency Assistant Counsel, David Oster, with a Managerial Excellence Award.
- (c) On November 3 there will be a reception for outgoing Commissioners Arnelle and Lee at the Concordia Club on Van Ness Avenue.
- (d) With regard to item (1) on today's Agenda, which is a Workshop to present the Schematic Design for the Yerba Buena Gardens Theater, because there is a need for a further review of the cost of the building, it is requested this item be continued. There will also be a further review of costs for the Yerba Buena Gardens Visual Arts Building.
- (e) Since meetings are being held with the City's Budget Staff on the Agency's 1989-90 budget, it is hoped within the next two weeks the Commissioners will be able to review the budget and the Agency's current financial program.
- (f) The Land Use Committee recommended to the full Board of Supervisors the establishment of a survey area for redevelopment purposes in Bernal Heights. It is not believed the Mayor's Office will designate any funds to carry out the preliminary planning work thereby requiring the Agency to examine its current budget.

REPORT OF THE PRESIDENT

- (a) President Newman congratulated David Oster on being honored with the 1988 Managerial Excellence Award.

Mr. Mardikian arrived at this time, 4:10 p.m.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which was continued from the meeting of October 25, 1988, and has been changed to specify that the requested authorization is for the Executive Director to delegate execution of certain Agency Documents to the Deputy Executive Director, Community Services and Administration, whose working title shall be Deputy Executive Director. This action will not make any change in the existing requirements for Agency staff to obtain specific Commission approval to execute documents on behalf of the Agency. Rather, it merely allows the Executive Director to delegate the actual signature function regarding Commission approved documents to the Deputy Executive Director.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-88 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization of a First Amendment to the Security Patrol Services Contract with Cal State Patrol Service, Inc. Due to recent vandalism and burglaries, it has become necessary to increase the security services for the expandable Innes Avenue homes until they are actually sold. The Amendment will provide for security service 24 hours a day, seven days per week and will increase the amount payable by \$10,000 for a total contract amount of \$25,000.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 254-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization to extend Exclusive Negotiations from November 30, 1988 to March 29, 1989, with Robert Upton and Berri McBride, acting as General Partners for Summit Partners, for Parcel EE-2 located at the southwesterly corner of Hudson Avenue and Whitney Young Circle in Hunters Point. It is proposed to construct a development to be known as Stoney Hill Summit consisting of twenty-seven townhouse style units. Additional time is needed to examine development costs and analyze the maximum Agency contribution to achieve affordable units.

Ms. Tsen inquired if the Commissioners would see the final document and Mr. Newman indicated that these are negotiations only and any decisions will be made by the Commission.

Mr. Helfeld noted that approval requires a public hearing notification so there will be full community input.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization to extend Exclusive Negotiations from November 30, 1988 to March 29, 1989, with Future Perfect, Inc. for Parcel AA-2 located on Keith Street between Hudson and Fairfax Avenues in Hunters Point. It is proposed to construct sixty townhouses in two and three story configurations over covered garages. Additional time is needed to examine the development costs, analyze maximum Agency contribution to achieve affordable units and for the developer to address architectural concerns.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests approval of a Beauty Salon land use in the Bayview Plaza Commercial Center in the India Basin Industrial Park. This is the fourth land use request in accordance with the Redevelopment Plan which requires Commission approval of any proposed retail and business land use.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Subordination Agreement in connection with a proposed New First Loan to be made to MMI Partners by Home Savings of America on Parcel C-2 located on the northwest corner of Mendell Street and Evans Avenue in the India Basin Industrial Park. Pursuant to an LDA authorized in April 1983 with MMI Partners, the completed development consists of a two-story light industrial building to facilitate a direct mail communications business. To assist the development, a UDAG was approved requiring payment of the Agency's land price of \$548,442 to be deferred at the time of sale of the parcel. The Agency's Deed of Trust is in second position subordinate to the existing first Deed of Trust in favor of Wells Fargo Bank in the original amount of \$2 million. The UDAG further provides that the existing first loan may be refinanced at the expiration of the loan term of five years, which is nearing expiration. The Developer is negotiating with Home Savings for a first new loan of \$1,820,000 at an approximate interest rate of 10 percent, a drop from 15.3/4 percent. When this is consummated it will be necessary for the Agency to subordinate its Deed of Trust to such a loan, making it a first priority lien on the parcel. The Agency's second loan position will remain the same. The term of the Agency's loan remains the same and will be paid off in full in ten years.

Mr. Bagot inquired regarding the hiring of community residents and James Wilson, Project Director, India Basin Industrial Park, indicated this was a City business that had relocated and brought their existing staff with them.

In response to an inquiry from President Newman regarding the risk to the Agency, Mr. Borregard, Agency General Counsel, indicated that the financing does not increase the amount of the first and the Agency is at no more risk than with the existing loan.

President Newman inquired as to the value involved. Robert Innes, Owner, indicated that the value of the property is estimated at \$6,450,000, which he believed protects the interests of the Agency.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-88 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization to extend Exclusive Negotiations from November 30, 1988 to November 29, 1989, with Parent-Infant Neighborhood Center, Inc. for Parcel 724-A(1) located at the southeast corner of O'Farrell and Webster Streets in the Western Addition A-2. Additional time is needed to raise funds to construct a four story building which will accommodate fifty infants. The revised performance schedule calls for submission of evidence of equity capital by May 31, 1989;

payment of 5 percent deposit on the land price and execution of an LDA by October 25, 1989.

Mel Miles reported on PINC's fundraising efforts. He expressed appreciation to Mr. Arnelle and Mr. Lee for their support of the project during their terms as Agency Commissioners.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-88 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Second Amendatory Agreement to the LDA with McDonald's Corporation for 1100 Fillmore Street in the Western Addition A-2. Subsequent to authorization of an LDA in 1979 with SCC Realty, McDonald's acquired the property in 1986. McDonald's has requested approval to expand and upgrade the existing facility. Schematic drawings have been submitted to staff for review and compliance with the Redevelopment Plan. The new building area of approximately 2,000 square feet will be designed and constructed to match the existing facade. Following approval of the Preliminary and Final Construction Documents, the performance schedule calls for commencement of construction within thirty days of issuance of a building permit and completion within six months after commencement of construction.

In response to an inquiry from Mr. Bagot, Rachael Wong, Owner, gave a status report on the hiring of community residents and Harold Wong, Owner, noted that they are working with the Ella Hill Hutch Community Center and the Japantown community for hiring. Mr. Bagot inquired if there had been any comments received on the addition from the neighborhood groups and Rachael Wong indicated no formal group had commented. Mr. Bagot inquired regarding notice given of this item and Gene Suttle, Deputy Executive Director, indicated that all neighborhood groups had been notified.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 260-88 BE ADOPTED.

- (h) Mr. Helfeld introduced item (h), which requests authorization of a payment to Peat Marwick Main & Co. for auditing services already performed by Excepting the Second Amendment to its Contract from Compliance with the Agency's South Africa Policy. Since approval of a Second Amendment in May 1988 authorizing payment for services that had already been performed, a dispute has arisen as to whether the firm is in compliance with the South Africa Divestment Ordinance. PMM still believes it is in compliance and is currently in discussions with the City, however, it is not known when this issue will be resolved. Given the fact that the services have been satisfactorily performed, and at a time when it was believed the firm was in compliance, it is requested that the Second Amendment to its contract be excepted from compliance with the Ordinance. The contract term expires with the current audit for the year ended June 30, 1988 and it is intended to solicit new bids from qualified firms.

Geraldine Johnson representing the Coalition of Black Trade Unionists and The Thursday Group, critically supported payment, but noted her concern about this firm's ties to South Africa.

Following a discussion between the Commissioners, Staff and John Callan, representing Peat Marwick Main & Co., it was agreed that payment be made to the firm but there be no exception made to the Agency's South African Policy.

Mr. King left the meeting at this time, 5:10 p.m.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, THAT RESOLUTION NO. 261-88, AS MODIFIED, BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING VOTED "NAY"

NONE

AND THE FOLLOWING ABSTAINED:

Mr. Bagot
Ms. Tsen

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED

- (i) & (j) Mr. Helfeld introduced item (i), which Commends and Expresses Appreciation to Melvin D. Lee for his services as a Commissioner of the Redevelopment Agency from February 1977 to September 1988 and item (j), which Commends and Expresses Appreciation to H. Jesse Arnelle for his services as a Commissioner of the Redevelopment Agency from July 1981 to September 1988.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT ITEM (i), RESOLUTION NO. 262-88, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (j), RESOLUTION NO. 263-88 BE ADOPTED.

- (k) Mr. Helfeld introduced item (k), which requests authorization of travel during the week of November 7, 1988, for two Commissioners and one Staff Person to evaluate the experience and capacity of Wilma Pacific, Inc. and H.J. Russell & Co. regarding the selection of a developer for Parcel 732 in the Western Addition A-2. Staff has analyzed the three proposals submitted in response to a Request for Proposals to develop the parcel. However, staff has

Minutes of a Regular Meeting, November 1, 1988

been unable to complete its analysis because the managing general partner of Fillmore Market Place Associates H.J. Russell & Co. is located in Atlanta, Georgia and Wilma Pacific, Inc., a general partner with Fillmore Renaissance Associates, is located in Southern California. Because of the key roles that each developer plays in its respective teams, this travel would be helpful to judge their experience and capacity. Cost of the trip is estimated at \$3,500 and is conditioned upon approval by the Mayor's Office.

Douglas Jenkins inquired if a community person could be included in the tour and President Newman indicated that a person from the community would be welcome, but public funds could not be expended for this purpose.

Following a discussion between the Commissioners and Executive Director, it was agreed that travel be authorized for one architectural consultant and one staff person, to be selected by the Executive Director.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 264-88, AS MODIFIED, BE ADOPTED.

- (1) Workshop to present the Schematic Design for the Yerba Buena Gardens Theater; Yerba Buena Center.

Mr. Helfeld noted in the Director's Report that this item would be continued.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Randall Evans, WAPAC, indicated that on November 2, 6:30 p.m., there will be a presentation by Fillmore Market Place Associates of their proposal for Parcel 732 in the Western Addition A-2 and the Commissioners are invited to attend.

President Newman announced that this meeting would be continued to November 9, 1988, at 2:30 p.m. at 939 Ellis Street, Fourth Floor Conference Room, for item (m), a Workshop to present the Schematic Design for the Yerba Buena Gardens Visual Arts Building in Yerba Buena Center.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:45 p.m. to November 9, 1988 at 2:30 p.m.

RECONVENED

At this time and date the meeting reconvened to a regular session at

Minutes of a Regular Meeting, November 1, 1988

939 Ellis Street, Fourth Floor Conference Room at 2:30 p.m., November 9, 1988, with the following roll call:

Walter S. Newman, President
Charlotte Berk
Carl D. Gustavson
V. Fei Tsen

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

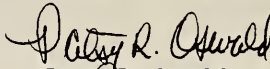
- (a) Being sent to the Commissioners by mail is a presentation brochure by Olympia & York where they indicate their experience in retail and their request they be considered as the retail operator for the Yerba Buena Gardens in Yerba Buena Center. They will be requesting time to appear before the Commission to make a formal presentation.
- (b) Commissioner Tsen and Mr. Helfeld have been appointed by the Mayor to a Housing Advisory Committee on Housing Policies and they are to come up in four months with some recommendations. There are private, public, and non-profit persons participating who are all active in the housing field.
- (m) Mr. Helfeld introduced item (m), which is a Workshop to present the Schematic Design for the Yerba Buena Gardens Visual Arts Building in Yerba Buena Center.

Fumihiko Maki presented the Schematic Design for the Visual Arts Building in Yerba Buena Center.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Gustavson, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:25 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: December 20, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file with the Agency Secretary.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF NOVEMBER, 1988

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of November, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Buck Bagot
Carl D. Gustavson
Leroy King
V. Fei Tsen

and the following was absent:

Charlotte Berk (Arrived 4:20 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Jane Herzog; Terry Collins; John H. Yearman; Randall Evans and Ace Washington, WAPAC; Essie Collins; Robert Reece, WASCC; Kes Narbutas, Integrated Resources, Inc; Thomas Numainville, Housing Associates, Inc.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Mr. Mardikian, seconded by Mr. Gustavson, and unanimously carried that the minutes of the Regular Meeting of October 18, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. Mardikian, seconded by Mr. Gustavson, and unanimously carried that the minutes of the Regular Meeting of October 25, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Newman appointed a Special Committee comprised of Commissioners Bagot, King and Tsen for the purpose of meeting with Mr. Helfeld and representatives of the Mayor's Office regarding the budget and consolidation of redevelopment areas (Merger).

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) The Executive Director met on November 15 with the new Manager of the Marriott Hotel and toured the facility which is very impressive. He suggested a tour for the Commissioners and President Newman requested that be scheduled in the near future.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a variance from the off-street parking requirements of the Redevelopment Plan for Parcel 728-N, 1905-1907 O'Farrell Street; Western Addition A-2.
- (b) Public Hearing to hear all persons interested in a Land Disposition Agreement for Parcel 728-N, 1905-1907 O'Farrell Street; Western Addition A-2.

President Newman opened the Public Hearings to hear all persons interested in these matters.

Mr. Helfeld introduced item (a), which requests authorization of a variance from the off-street parking requirements of the Western Addition A-2 Redevelopment Plan and item (b), which requests authorization of a Land Disposition Agreement with Chong Wong, Lee Nguey How Huey, Matthew Huey and Hannah Chiu Huey. Both items pertain to the property located at 1905-1907 O'Farrell Street in the Western Addition A-2. It is requested these items be continued to the meeting of November 22, 1988, because there is a concern regarding parking, which needs further review.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 265-88, BE CONTINUED FOR ONE WEEK AT STAFF REQUEST.

MOTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 266-88, BE CONTINUED FOR ONE WEEK AT STAFF REQUEST.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Third Amendatory Agreement to the Agreement with Terry Collins, Cecilia Johnson-Collins, George Colbert and Greer Smith-Colbert for 1151 Webster Street in the Western Addition A-2. The Developer proposes to rehabilitate the property into three residential units, two of which will be owner-occupied. The Developer's loan application is presently being processed and, although the lender has indicated approval of a construction loan is favorable, additional time is needed to obtain an appraisal and for the general contractor to complete a financial statement. The

revised performance schedule extends the date for submission of evidence of financing from November 2 to December 14, 1988 and conveyance of the site from December 21, 1988 to January 18, 1989.

Ms. Tsen noted her concern about developers returning again and again for extensions and inquired if this extension provided sufficient time and Terry Collins, the Developer, indicated affirmatively.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 267-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to extend Exclusive Negotiations from November 30, 1988 to February 22, 1989, with Alamo Partners, in conjunction with a Build-to-Suit Agreement with the Western Addition Senior Citizens' Center (WASCC) for Parcels 779-B and 779-C located in the block bounded by Fulton, McAllister, Fillmore and Steiner Streets in the Western Addition A-2. A mixed use development of the parcels is proposed which will include a senior citizen facility and residential development. Additional time is needed to finalize the terms of an LDA and subsequently notice it for a public hearing.

Ms. Tsen inquired if the extension would provide sufficient time for the actions that need to be taken and Robert Reece, WASCC, replied affirmatively. In response to an inquiry from Mr. Bagot, Mr. Reece reported on the current status of fundraising efforts for the project.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 268-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests conditional authorization of an interim parking lot use on Block 738, Lot 17, located at the southwest corner of Van Ness Avenue and Ellis Street in the Western Addition A-2. The Owner of the property, Takii & Company, Ltd., proposes to develop the property at a future date, but in the interim has requested approval to use it as a parking lot and has negotiated a lease with an experienced parking lot operator for its operation and maintenance. The use is conditioned on the Owner executing and filing with the Agency a written acceptance of the Resolution, which will be recorded in the City Recorder's Office with a legal description of the property. The Resolution provides that the Owner will enter into an Owner Participation Agreement with the Agency not later than six years from its adoption, which agreement will provide for the future development of the property.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 269-88 BE ADOPTED.

Ms. Berk arrived at this time, 4:20 p.m.

- (f) Mr. Helfeld introduced item (f), which requests approval to substitute IR Pacific Residential, Inc. in place of Fillmore Center Developers as Managing General Partner of Fillmore Center Associates for the development of Parcels 707-A, 726-A, 731-A, 749-C, 750-A and a portion of Ellis Street in the block bounded by Fillmore, Geary, Steiner and Turk Streets in the Western Addition A-2. Integrated Resources, Inc., an insurance company with \$7 billion in assets and \$500 million in net worth, has a 93 percent interest in the Fillmore Associates' partnership and participates through its subsidiary, IR Pacific, as a general partner and through its interest as general partner in Fillmore Pacific Associates, the sole limited partners of Fillmore Center Associates. The development has experienced significant cost overruns during construction which require additional equity from one or more of the general partners. IR Pacific feels it needs to have more input in the financial decision-making before it can increase its investment in the development, and believes this change in the Managing General Partner will accomplish that desire. This substitution will not change the LDA obligations of Fillmore Center Associates.

Ken Narbutas, Senior Vice President, Integrated Resources, Inc., described the corporate financial structure of Integrated Resources and IR Pacific and their role in the Fillmore Center. He assured the Commissioners that it is the intention of IR Pacific to complete the project as planned, including the commitment to low income housing. Mr. Narbutas responded to questions from Mr. Gustavson regarding cost overruns and the change in general contractor from Dillingham Construction to Turner Construction.

In reply to Mr. Mardikian's inquiry, Leo Borregard, Agency General Counsel, indicated it is his understanding that under law and under the regulatory agreements which govern these kind of bond issues where there is a requirement for a 20 percent set aside, if there is a foreclosure of the underlying security, the obligation for the 20 percent set aside is no longer required.

President Newman noted that it is fortunate to have a partner in the project that has the financial resources and is willing to invest in the project.

Ms. Berk noted her concern about the safety of the construction of the buildings and Thomas Numainville, Housing Associates, Inc., indicated that no faulty materials are being used and assured the Commission that the buildings are all perfectly safe.

Ace Washington, WAPAC, requested an opportunity to meet with the investors and Turner Construction representatives.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 270-88 BE ADOPTED.

- (g) Mr. Helfeld introduced item (g), which requests authorization of a Second Amendment to the Personal Services Contract with Rai Okamoto for Architectural Consultant Services for the Fillmore Center Associates' development on Parcel 732 in the Western Addition A-2. The Amendment will increase the contract amount by \$20,000 for a total contract amount of \$43,500 and will provide for Mr. Okamoto's ongoing consultant services on an as required basis.

Ms. Tsen requested that for amendments which increase the contract amounts she would like to review the annual budget and the project budget to see where the money is coming from.

Mr. Helfeld suggested item (g) be held for one week during which time the budget on the Western Addition could be provided to the Commissioners.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (g), RESOLUTION NO. 271-88, WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

- (h) Mr. Helfeld introduced item (h), which requests authorization to extend Exclusive Negotiations, from November 16, 1988 to March 29, 1989, with GSI Holdings for Parcel S-6 located on Newcomb Avenue at LaSalle Avenue in Hunters Point. It is proposed to construct thirty units with estimated sales prices ranging from \$169,000 to \$176,000. Additional time is needed to examine the development costs and to discuss mechanisms available to the Agency to make these units affordable to purchasers with moderate incomes that are below 120 percent of the median.

Mr. Bagot noted that he would like to see the development at 100 percent of median income instead of 120 percent and inquired if there was any way of bringing the project in at less cost possibly by reducing the number of bathrooms. Mr. Helfeld indicated that staff would look into these matters.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 272-88 BE ADOPTED.

- (i) Mr. Helfeld introduced item (i), which requests authorization of a Fifth Amendment to the Personal Services Contract with Maki & Associates.
- (j) Mr. Helfeld introduced item (j), which requests authorization of a Third Amendment to the Design Contract with Robinson, Mills and Williams (RMW).

Both contracts are in connection with design services for the YBG Visual Arts Center. On January 5, 1988, an architectural contract was approved with RMW with Maki as a subconsultant. Prior to that time, the Agency had a Personal Services Contract on a time and materials basis with Maki and RMW as a subconsultant. Because of

a misunderstanding by the Maki firm of the amount of an amendment authorized in September 1987, services performed prior to January 5, 1988, exceeded the amount payable by \$25,000 for a total contract amount of \$61,000, in partial payment for these services. The RMW contract included \$25,000 for unspecified additional services. This amendment would allow payment of \$17,522.77 from these funds for services performed prior to the contract date of January 5, 1988. Staff has reviewed the invoices and determined that the work performed was essential to the Moscone coordination and successfully negotiated with the firms to reduce the billings from \$52,711 to \$42,522.77. Staff believes that there will be no further increase to the authorized contract amount now that the schematic plans are completed and the architects can proceed with the design development phase in an orderly manner.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 273-88 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 274-88 BE ADOPTED.

President Newman announced that there would be a brief recess. The meeting recessed at 5:10 p.m. and reconvened at 5:15 p.m.

- (k) Mr. Helfeld introduced item (k), which is a report on travel by James Wilson, Project Director, Western Addition A-2, and Rai Okamoto, Architectural Consultant, to evaluate developments built by Herman J. Russell Co., Atlanta, Georgia, and by Wilma Pacific, Inc., Ventura and Orange Counties, California, in connection with the selection of a Developer for Parcel 732 in the Western Addition A-2.

Rai Okamoto and James Wilson reported on the developments built by Herman J. Russell and Wilma Pacific and made a slide presentation.

Gene Suttle, Deputy Executive Director, reported on various projects constructed by San Francisco Associates Development Group in the Western Addition.

Joseph Skiffer indicated that he had been involved in various developments which were not included in the presentation. Mr. Helfeld indicated that the Commissioners and Staff are familiar with Mr. Skiffer's work.

President Newman suggested a field trip for any Commissioners that are interested in seeing Mr. Skiffer's developments.

Randall Evans, WAPAC, believed that the Commission should hear from the developers who did the projects instead of a slide presentation.

President Newman indicated he disqualified himself from the presentations on Parcel 3707-A, item (1), because his wife is a Director of Wells Fargo Bank who is a bidder on this parcel.

At this time, President Newman turned the chair over to Mr. Mardikian, 5:55 p.m.

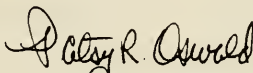
- (1) Mr. Helfeld introduced item (1), which is a Workshop for prospective developers of Parcel 3707-A, located at the northeast corner of Third and Mission Streets in Yerba Buena Center, to present their qualifications. Bramalea Pacific, Inc. is scheduled to make their presentation today. The other presentations are being scheduled for November 29, December 6 and 13 starting at 2:30 p.m.

Glen Isaacson made the presentation for Bramalea Pacific, Inc.

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 6:40 p.m.

Respectfully submitted,



Patsy R. Oswald
Agency Secretary

APPROVED: December 27, 1988

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file with
the Agency Secretary.

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF NOVEMBER, 1988

DOCUMENTS DEPT.

FEB 17 1989

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of November, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Buck Bagot
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Jim San Jule; Mary Jane Staymates, WANA; Randall Evans, Douglas Jenkins and Ace Washington, WAPAC; Essie Collins; Orelia Langston; Reverend Amos Brown, Third Baptist Church; Ernest L. Oliver; Richard Brown, Ella Hill Hutch; Reverend Cecil Howard, Pastor, Bethel A.M.E. Church; Arnold Townsend, Joe Skiffer, Bob Davis, Morris E. Phillips and Michael Stanton, Fillmore Market Place Associates; Reverend Charles Stringer; Reverend Martin F. Grizzell; David Jenkins; Noel Khalil and Clifton R. Jeffers, H.J. Russell & Co; Cora Hamilton, Bancker Homes, Inc; Lavolia Baker; Pleasant Carson; Geraldine Johnson, Coalition of Black Trade Unionists and The Thursday Group; Fannie McElroy; Margaret Verges, Presidio Avenue Association of Concerned Neighbors; Katherine Nash; Daniel A. Collins; Professor Nontsizi Cayou; Orville Luster; Chuck Turner; Cedrick B. McRae; John Yerman; Pam Sims; Derf Butler; Wayne Blauvelt, Wilma Pacific, Inc; Paula and Charles Collins, Fillmore Renaissance Associates; Jim Jeffers, President, San Francisco Black Chamber of Commerce; Paul Barnes; Willie Ratcliff; Ruth Dewson; Charles Portlock and Linda Blagburn, MCA; Sylvia De Alba, Sam Karng, Yvette Sanberry, Craig and Susan Kammerer, Laura Padilla, Hallie Collins, Edward J. Collins, Michele Barry, Western Development Group; Pleasant Carson; Ekita Leverette; Toye Moses; Elijah J. Green; Katherine Way; Dr. R.A. McCoy and Randy Jacks, Future Perfect, Inc; Lulann S. McGriff, Liberty Builders; Faheen Haneed, Urban Economic Development Corporation; C.W. Howard; Wade Woods; Matthew Huey; and Ernie Meriweather.

Representing the press were: Gerald Adams, San Francisco Examiner; Clarence Johnson, San Francisco Chronicle; and Carolyn Tyler, Channel 7-KGO.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which was continued from the meeting of November 15, 1988, and requests authorization of a Variance from the off-street parking requirements of the Redevelopment Plan for 1905-1907 O'Farrell Street in the Western Addition A-2.
- (b) Mr. Helfeld introduced item (b), which was continued from the meeting of November 15, 1988, and requests authorization of a Land Disposition Agreement with Chong Wong, Lee Nguey How Huey, Matthew Huey and Hannah Chiu Huey for 1905-1907 O'Farrell Street in the Western Addition A-2.

The Developers propose to rehabilitate this two-story Victorian constructed in 1895 as two residential dwelling units for market rate rental housing. The cost to provide off-street parking is estimated at \$56,000 and it is unlikely the property would be rehabilitated without the requested variance which will reduce the number of parking spaces from two to none. The alternative would be to demolish the building to permit a new development. The performance schedule calls for submission of evidence of financing by June 14 and conveyance of the site by July 26, 1989.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 265-88, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 266-88, BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which was continued from the meeting of November 15, 1988, and requests authorization of a Second Amendment to the Personal Services Contract with Rai Okamoto for Architectural Consultant Services for the Fillmore Center Associates' development on Parcel 732 in the Western Addition A-2. Information has been provided to the Commission regarding the source of funds to support the recommendation to increase the amount payable by \$20,000 for a total contract amount of \$43,500.

Ms. Tsen indicated she felt comforted by the budget materials sent to the Commissioners regarding Mr. Okamoto's contract and hoped that it would be standard practice whenever there are increases in contracts to be considered.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 271-88 BE ADOPTED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests authorization to issue a Request for Proposals for the development of Parcel 3763-A

located at the southeast corner of Third and Harrison Streets in Yerba Buena Center and approval of advertising expenses in connection with the offering of the parcel. It is requested this item be continued to the meeting of November 29, 1988.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSION, ITEM (a), RESOLUTION NO. 275-88, WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of issuance of the Agency's \$5.4 million 1988 Special Tax Bonds.
- (c) Mr. Helfeld introduced item (c), which requests authorization to execute a Preliminary Official Statement, Official Statement, Bond Purchase Contract, and all other necessary documents in connection with the Bonds.

Both these items relate to the issuance of Bonds pursuant to the Mello-Roos Community Facilities Act of 1982 for Community Facilities District No. 1, South Beach. The issuing of these Bonds and the levy of special taxes for their repayment has been approved by the qualified electors of the District in order to acquire and construct public street improvements. Commission approval of these Resolutions will provide authority to complete the Mello-Roos process. All of the Agency's expenses in connection with the issuance of the Bonds will be paid from Bond proceeds.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 276-88, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 277-88, BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization to enter into Exclusive Negotiations with Fillmore Renaissance Associates for the development of Parcel 732 located in the block bounded by Eddy, Ellis, Fillmore and Webster Streets in the Western Addition A-2. Mr. Helfeld noted the background on this item, which included the Agency's goals and objectives as contained in the Request for Proposals (RFP) and the criteria used to achieve those objectives. He described the offering process and listed each proposal received: Fillmore Market Place Associates; Fillmore Renaissance Associates; and San Francisco Associates Development Group. He noted the major development and design elements of each, their qualifications and an analysis of each proposal as evaluated against the RFP, concluding with a recommendation and the reasons for it.

Ms. Tsen indicated although she did not think she has a conflict, she would abstain from voting on this item in deference to Agency

General Counsel's opinion that a potential conflict of interest may exist because she is a property owner within the vicinity of Parcel 732. Reverend Amos Brown inquired regarding the conflict of interest and when it became effective. Leo Borregard, Agency General Counsel, indicated that this is stated in the Political Reform Act 1975-76 and he then cited the applicable Government Code, Section 87100.

Richard Brown inquired if it is correct that Counsel did not recommend anyone to abstain from voting on this item and Ms. Tsen indicated that the position to abstain from voting was her decision based on Counsel's advice.

The following persons spoke regarding item (d) and a tape recording of the proceedings is on file with the Agency Secretary.

Jim San Jule; Mary Jane Staymates, WANA; Randall Evans; Ace Washington, WAPAC; Essie Collins; Orelia Langston; Reverend Amos Brown, Third Baptist Church; Ernest Oliver; Richard Brown, Ella Hill Hutch; Arnold Townsend, Fillmore Market Place Associates; Reverend Cecil Howard, Pastor, Bethel A.M.E. Church; Joseph Skiffer and Bob Davis, Fillmore Market Place Associates; Linda Blagburn, MCA; Al Norman; Wade Woods; Reverend Charles Stringer, San Francisco Religious Council; Randall Evans, WAPAC; Reverence Martin Grizzell, San Francisco Religious Council; David Jenkins; Noel Khalil, H.J. Russell & Co; Cora Hamilton, Banneker Homes, Inc; Michael Stanton; Douglas Jenkins, WAPAC; Lavolia Baker; Pleasant Carson; Geraldine Johnson, Coalition of Black Trade Unionists and The Thursday Group; Fannie McElroy; Margaret Verges; Presidio Avenue of Concerned Neighbors; Katherine Nash; Daniel Collins, Fillmore Renaissance Associates; Professor Nontsizi Cayou; Orville Luster, SFADG; Chuck Turner; Cedric Mcrae, Fillmore Market Place Associates; Morris Phillips, Fillmore Market Place Associates; Clifton Jeffers, Herman J. Russell Group; John Yerman; Wayne Blauvelt, Wilma Pacific, Inc; Derf Butler; Pam Sims; Paula and Charles Collins, Fillmore Renaissance Associates; Jim Jeffers, President, San Francisco Black Chamber of Commerce; Paul Barnes; and Charles Portlock, Vice President MCA.

A discussion ensued between the Commissioners and Staff. In reply to Mr. Newman's inquiry Mr. Borregard, Agency General Counsel, indicated the Agency's By-laws state there must be a majority vote or no action is taken.

MOTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, THAT RESOLUTION NO. 278-88 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Bagot
Ms. Berk
Mr. Gustavson

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Mardikian
Mr. Newman

AND THE FOLLOWING ABSTAINED:

Ms. Tsen

THE PRESIDENT THEREUPON DECLARED THE MOTION FAILED

MOTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT STAFF IS DIRECTED TO BRING BACK A RECOMMENDATION IN TWO WEEKS AS TO HOW THE COMMISSION IS TO PROCEED ON DISPOSITION OF PARCEL 732.

President Newman announced there would be a brief recess. The meeting recessed at 7:40 p.m. and reconvened at 7:42 p.m. with the same roll call.

- (e) Workshop for Presentation of Qualifications by prospective developers of Parcel 3707-A located at the northeast corner of Third and Mission Streets in Yerba Buena Center.

President Newman announced that this meeting would be continued to November 29, 1988, at 2:30 p.m. at 939 Ellis Street, Seventh Floor Conference Room for item (e).

ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Bagot, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:45 p.m. to November 29, 1988 at 2:30 p.m.

RECOVERED

At this time and date the meeting reconvened to a regular session at 939 Ellis Street, Seventh Floor Conference Room at 2:30 p.m., November 29, 1988, with the following roll call:

Charlotte Berk
Leroy King
V. Fei Tsen

At this time there was no quorum, however, it was decided to proceed with the presentations.

Lyman Jee made the presentation for Arcon, Inc.

Michael Barker made the presentation for Barker-Patrinely Group, Inc.

Stephen Finn made the presentation for Brobeck, Phleger & Harrison.

Minutes of a Regular Meeting, November 22, 1988

At this time, 3:50 p.m., Commissioners Bagot and Gustavson arrived and the meeting was called to order.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT MS. BERK BE ELECTED TEMPORARY PRESIDENT.

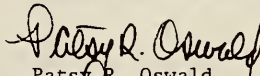
Donald Dana made the presentation for Crocker Properties, Inc.

Mr. Mardikian arrived at 4:00 p.m. during the Crocker presentation.

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:15 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: January 17, 1989

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file with the Agency Secretary.

SF
R35
#4
11/29/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF ~~SAN FRANCISCO~~ HELD ON THE
29TH DAY OF NOVEMBER, 1988

DOCUMENTS DEPT.

FEB 17 1989

SAN FRANCISCO
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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:20 o'clock p.m. on the 29th day of November, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Buck Bagot
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of October 15, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. Gustavson, and unanimously carried that the minutes of the Closed Session of November 15, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) President Newman requested Mr. Bagot to report on the status of meetings with the Mayor's Budget Office.

Mr. Bagot indicated he and the Executive Director had met with the Deputy Director for Budget and consideration is being given to having a public hearing on the budget generally with a particular eye towards developing an affordable housing program.

President Newman indicated he would like Mr. Bagot to continue to serve on the Committee and report to the Commission on a weekly basis.

- (b) President Newman reported that after the adjournment of last Tuesday's meeting a physical altercation took place between two persons who had attended the meeting. He indicated he would not comment further on that incident, however, he wanted to make it

absolutely clear that this Agency will not tolerate physical violence of any kind, at its meetings, after its meetings or anywhere on its premises -- at any time -- for any reason.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The President needs to appoint a Commissioner to the Fisherman's Wharf Advisory Committee to replace Melvin Lee. President Newman indicated he would discuss the matter with the Commissioners and the Executive Director.
- (b) Friends of Redevelopment met on November 28 and Commissioners Bagot and Tsen were introduced. There was an interesting exchange on housing and the future of the Agency.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which was continued from the meeting of November 22, 1988, and requests authorization to issue a Request for Proposals for the development of a parcel located on the southeast corner of Third and Harrison Streets in Yerba Buena Center and approval of advertising expenses in connection with the offering of the parcel.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 275-88, WOULD BE CONTINUED TO THE MEETING OF DECEMBER 6, 1988, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which requests Award of a Contract to Esquivel Grading & Paving, Inc. in the amount of \$42,225, on the basis of lowest bid received, for improvements to Jerrold Avenue in the vicinity of the Hunters Point Redevelopment Project Area. The portion of Jerrold Avenue to be improved is adjacent to Mariners Village and Morgan Heights developments and it is intended to improve the street so it can be conveyed to the City and accepted for maintenance. Following extensive advertising, four bids were submitted ranging from \$42,225 to \$86,340. The Engineer's Estimate is \$44,200. Esquivel Grading, located in San Francisco, is a minority business enterprise that has satisfactorily completed work for other governmental agencies. Both their affirmative action and safety programs were reviewed and considered satisfactory.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 279-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of an extension of Exclusive Negotiations from November 30, 1988 to

May 31, 1989, with Fourth & Harrison Associates located at the northeast corner of Fourth and Harrison Streets in Yerba Buena Center. It is proposed to construct a mixed use development containing underground parking, a supermarket at street level and a 198 unit hotel with lobby space at street level above the supermarket. A number of favorable responses have been received from major hotel and supermarket chains. However, additional time is needed to complete marketing studies before making commitments and to continue negotiations. In the interim the developer will continue negotiations to acquire an adjoining 4,400 square foot privately owned parcel to permit expansion of the supermarket. The extension period will provide time to complete the LDA; obtain the supermarket operator commitment; and select and identify the first choice of hotel franchiser by April 15, 1989.

Mr. Bagot referred to the Marriott Hotel and inquired if there is a general policy that hotel operators be union and if that is a factor during negotiations.

Mr. King indicated that before the selection of Olympia & York (Marriott) an agreement was made with the union, but this was not part of the bidding process and it is not the position of this Agency that a developer be union in order to get the bid accepted, as that would be illegal.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 280-88 BE ADOPTED.

President Newman indicated that item (c) would be held in the Fourth Floor Conference Room as the last item on the agenda.

- (d) Mr. Helfeld introduced item (d), which requests authorization for Helen Sause, Project Director, Yerba Buena Center, to travel to Washington, D.C., December 1-4, 1988, to conduct a meeting of the National Association of Housing and Rdevelopment Officials (NAHRO) Board of Governors Steering Committee. As President of NAHRO, the hotel cost will be paid by the Association and total cost for this travel will not exceed \$650.00.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 282-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization of a Second Amendment to the Personal Services Contract with Christian P. Frederiksen for Technical Assistance in connection with the Cultural Center in Yerba Buena Center. In October 1983 a contract was entered into with Mr. Frederiksen, the work under which included: refinement of the financial model of the cultural facilities; recommendations on the most advantageous way to operate the facilities; and the estimates for the cultural operating costs and revenues. Funded by a grant from the Blyth-Zellerbach Committee, he further assisted the Agency in developing a cultural program for YBC which would be economically feasible and appropriate to service the community. Subsequently a

contract was entered into to finalize the preliminary analysis of the financial and management concepts for the Disposition and Development Agreement (DDA). It is now necessary to update the DDA financial projections and to develop a financial forecasting system. The amendment will increase the amount payable by \$15,000 for a total contract amount of \$36,000.

Ms. Tsen requested budget information be supplied in order to judge whether funds are available or not and indicated she was unclear as to when personal service contracts for consultant services are used and when the work is done by staff. Mr. Helfeld indicated funds are available in the budget and outside consultants are used when specialized services are needed.

Commissioners King and Bagot indicated that it had been their understanding that back-up budget material would be supplied when there is a request for funds.

Ms. Tsen noted she was concerned about a promise to keep the cost at a \$74 million cap and wanted to watch the budget and expenditures.

Mr. Helfeld indicated that in the future the Commissioners would be supplied with the appropriate budget section when there is a request for a contract or a contract amendment requiring funds.

Ms. Berk indicated there should be a way of giving the new Commissioners solid information on how the Agency arrived at this point. The consultants bring experience and expertise and funds have been budgeted for their services.

President Newman requested that Commissioners Bagot and Tsen be given an indepth historical briefing on Yerba Buena Center.

Mr. Gustavson indicated that he assumed personal service contracts were kept on a short term basis to observe the contributions of an individual and then renew the contracts when necessary rather than entering into long term contracts and Mr. Helfeld indicated affirmatively.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT ITEM (e), RESOLUTION NO. 283-88 BE ADOPTED.

President Newman announced that at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(a). The name of the case is "In Matter of the Arbitration between Service Employees International Union, Local 790 and the Redevelopment Agency of the City and County of San Francisco". Also at the request of Agency General Counsel, there will be a Closed Session on the subject of litigation pursuant to Government Code Section 54956.9(b)(1). Following the Closed Sessions, the meeting will be reconvened in the Fourth Floor Conference Room for items (c) and (f).

The meeting recessed at 4:55 p.m. and reconvened in the Fourth Floor Conference Room at 5:32 p.m. with the same roll call with the exception of President Newman.

- (c) Mr. Helfeld introduced item (c), which requests Conditional Approval of the Preliminary Construction Documents for the Central Block 2 Exhibit Hall of the Moscone Convention Center Expansion in Yerba Buena Center. Following review of the Preliminary Construction Documents, conditional approval is recommended, subject to resolution of certain design concerns during the Final Construction Documents phase. Generally, these concerns are: provision of adequate flexibility in the Convention Center design to accommodate the design of the Agency facilities; design of areas or elements which interface between the Convention Center and Agency facilities; further clarification of detailed items appearing in the Preliminary Construction Documents; and areas or items requiring further coordination with the Convention Center design team. There are also a number of technical items that the Agency's architects and staff will continue to work with the Convention Center Design Team to resolve during development of the Final Construction Documents.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 281-88 BE ADOPTED.

- (f) Second Workshop for presentation of qualifications of prospective developers of a Parcel located at the northeast corner of Third and Mission Streets in Yerba Buena Center.

Acting President Mardikian indicated that item (f) would be continued to December 6, 1988, at 2:30 p.m. at 939 Ellis Street, Seventh Floor Conference Room for item (f).

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:00 p.m.

RECONVENED

At this time and date the meeting reconvened to a regular session at 939 Ellis Street, Seventh Floor Conference Room at 2:30 p.m., December 6, with the following roll call:

Haig G. Mardikian, Acting President
Charlotte Berk
Carl D. Gustavson
V. Fei Tsen

Carl Danielsen made the presentation for Lincoln Property Company, N.C., Inc.

Minutes of a Regular Meeting, November 29, 1988

Robert Upton made the presentation for Taylor Woodrow of California, Inc.

John Colver made the presentation for Tishman West Companies

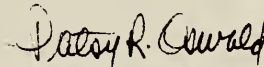
Henry Lambert made the presentation for Reliance Development Group, Inc.

Marvin Richman made the presentation for O&Y (U.S.) Development Company, L.P.

ADJOURNMENT

It was moved by Mr. Gustavson, seconded by Ms. Tsen, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:10 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

January 31, 1989

NOTE: These minutes are an edited version of the proceedings.
A full tape recording of the proceedings is on file with
the Agency Secretary.

ST
R35
#4
12/6/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF DECEMBER 1988

DOCUMENTS DEPT.

FEB 17 1989

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:10 p.m. on the 6th day of December, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Buck Bagot
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ocie Rogers; Katherine Nash; Douglas Jenkins; Randall Evans; John H. Yearman; Ace Washington, WAPAC; Ruth Dewson; Reverend Charles Stringer; Essie Collins; Eileen Henriques; Robert Speer; Mike Miller; and Hannibal Williams.

Representing the press were: Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress; and Steve Massey, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) A final Workshop for presentation of qualifications of prospective developers of the parcel located at the northeast corner of Third and Mission Streets in Yerba Buena Center.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which was continued from the meetings of November 22 and 29 and requests authorization to issue a Request for Proposals for the development of Parcel 3763-A located at the southeast corner of Third and Harrison Streets in Yerba Buena Center and approval of \$6,000 advertising expenses for this parcel. It is requested this item be continued to the meeting of December 13, 1988.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (a), RESOLUTION NO. 275-88, WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which was continued from the meeting of November 22, 1988, and requests authorization to enter into Exclusive Negotiations regarding the public offering of Parcel 732 located in the block bounded by Eddy, Ellis, Fillmore and Webster Streets in the Western Addition A-2. It is requested this item be continued to the meeting of December 13, 1988.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b) WOULD BE CONTINUED FOR ONE WEEK AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in a Variance modifying the land coverage standards and requirements on Block 735, Lot 28, in the Western Addition A-1.
- (b) Public Hearing to hear all persons interested in a Variance modifying the standards and requirements on Block 735, Lot, 28, in the Western Addition A-1.

President Newman opened the Public Hearings to hear all persons interested in these matters.

- (a) Mr. Helfeld introduced item (a), which requests authorization of a Variance from the Western Addition A-1 Redevelopment Plan to permit a maximum 49 percent land coverage rather than the present 40 percent maximum.
- (b) Mr. Helfeld introduced item (b), which requests authorization of a Variance from the Western Addition A-1 Redevelopment Plan to permit the minimum distance required between exterior walls with windows to be 22 feet instead of the present 60 feet.
- (c) Mr. Helfeld introduced item (c) which requests authorization of an Owner Participation Agreement (OPA) with Arthur and Sylvia Zanello

Arthur and Sylvia Zanello propose to demolish an existing supermarket building and construct 69 market rate housing units on a parcel located at the northeast corner of Eddy and Laguna Streets in the Western Addition A-1. The Redevelopment Plan standards developed in 1956 anticipated planned unit developments with multi-story buildings on large parcels of land. The proposal offers a more compatible architectural approach reflecting a traditional development pattern common to San Francisco. Staff has reviewed the Schematic Drawings and finds the design concept satisfactory, subject to certain design concerns being resolved during the Preliminary Construction Document Phase. The variances were approved by the City Planning Commission on November 3, 1988. The proposal has been presented to the neighborhood residents and no objections have been raised to the development or the variances. An official mailing notice has also been sent to the adjacent landowners within a 300 ft. radius of the site. Mr.

Zanello is not the current owner of the site, however, he indicates he has an irrevocable option agreement for the purchase of the site until January 7, 1989. Therefore, the OPA provides that should the Zanellos not become record owners of the site that the Agency will have the option to terminate the OPA.

There being no persons wishing to appear in connection with these matters, the President declared the Public Hearings closed.

David Oster, Assistant Agency Counsel, requested minor changes in the Resolutions for items (a) and (b) to conform to the order in which items are listed on the Agenda. The language in the Resolutions before the Commission for items (a) and (b) presumes that the Owner Participation Agreement for the Zanello project has been approved, when in fact the Agenda was prepared with the Owner Participation Agreement approval to follow the two variance forms. It is therefore requested that the Resolutions for items (a) and (b) be changed to reflect the fact that when they are considered the Owner Participation Agreement will not yet have been approved.

Ms. Berk inquired how much open space is usable and Mr. Helfeld indicated staff would review the drawings with the Commissioners.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM (a), RESOLUTION NO. 284-88, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM (b), RESOLUTION NO. 285-88, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. GUSTAVSON, AND UNANIMOUSLY CARRIED THAT ITEM (c), RESOLUTION NO. 286-88, BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of a Commercial Rental Agreement with Fillmore Center Associates for placing construction trailers and storing equipment on a portion of Parcel 732 located at the northeast corner of Fillmore and Eddy Streets in the Western Addition A-2. Subsequent to a rental agreement being entered into in April 1988, Dillingham Construction, N.A., Inc. has been terminated as the general contractor for Fillmore Center Developers who now request continued use of the parcel for the same purposes and at the same rental rate of \$2,820 per month.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 287-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests conditional authorization of a First Amendatory Agreement to the Land Disposition Agreement with Randolph and George Mellinger for Parcel A-6 located on the northerly side of Newhall Street westerly of Mendell Street in the India Basin Industrial Park.

The Developers have entered into an agreement to sell the parcel to Plant Builders, Inc. (Plant). As a condition precedent to the purchase of the parcel, Plant has requested the Agency approve their proposed alterations and additions which will be made after acquisition of the parcel. Plant intends to construct an addition to the existing building and relocate some loading and parking facilities. These changes are considered by staff to be appropriate and conform to Agency development requirements and parking criteria. Plant has 88 employees at its present two locations who will be relocated to the India Basin facility when the alterations are completed. The performance schedule calls for submission of Final Construction Documents by September 15, 1989; commencement of construction within sixty days after issuance of a Building Permit; and completion of construction within six months after commencement of construction. If Plant fails to exercise its option to purchase and does not become the record owner of the parcel and execute an assumption of the Developer's obligations under the LDA, as amended, which will also release said Developers from all further obligations, duties and responsibilities to the Agency thereunder, within 120 days from the date of approval of the Resolution, such approval shall be of no force and effect.

ADOPTION: IT WAS MOVED BY MS. TSEN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 288-88 BE ADOPTED.

- (f) Mr. Helfeld introduced item (f), which requests authorization of a Modification to the Rules and Regulations of the Marks-Foran Program and to the Residential Rehabilitation Financing Program.
- (g) Mr. Helfeld introduced item (g), which requests an Amendment to the Agreement with Hannibal and Betty Williams for 1249-1251 Scott Street in the Western Addition A-2.

In July 1979 the Williamses purchased the property for the purpose of rehabilitating this landmark Victorian into two units - a 3,200 square foot single family residence occupying the 2nd and 3rd floors with a ground floor, 1 bedroom unit. Mr. Nolan Frank, the Construction Superintendent, expended funds for labor and materials for which he was not reimbursed and he initiated foreclosure proceedings to obtain payment. If Mr. Frank's note is not paid off, the trustee's sale will take place on December 13, 1988. Wells Fargo, the beneficiary of the Williams' note and deed of trust, has agreed to subordinate the Marks-Foran loan subject to the Agency's approval of the conversion of the building into three units. It should be noted, however, that the current reserve fund balance with Wells Fargo is approximately \$192,000 and any loss on this transaction will be made up directly from those Agency funds. The Amendment will allow conversion to three units and modification to the Rules and Regulations of the Marks-Foran Program will facilitate the Williams effort to save their home.

President Newman read a letter dated December 6, 1988, from Mary E. Randall, Member, Planning Association for Divisadero Street,

Beideman Area Neighborhood Group, Board of Directors, Amancio Ergina Village, requesting the matter be postponed.

Eileen Henriques, Robert Speer and Mike Miller requested the matter be postponed until the neighborhood associations have been given an opportunity to review the proposed changes.

Reverence Charles Stringer, Essie Collins, Douglas Jenkins and Ace Washington spoke in support of items (f) and (g).

Mr. Williams noted the proposed work will involve the interior only and the facade will not be affected.

Mr. Mardikian noted the concerns of the neighborhood residents that the rehabilitation might result in another floor being added. Mr. Williams indicated that this would not be the case and an existing unit would be converted into two units.

Mr. Gustavson inquired how long staff had known about this item before it was presented to the Commission and Mr. Helfeld indicated approximately three months, but a solution was only arrived at recently.

Commissioners King and Bagot indicated they were sorry the neighborhood groups had not been notified sooner.

Mr. Helfeld indicated that for the open space a deck needs to be added for the additional unit.

Darby Kremers, Senior Development Specialist, indicated that the parking for the third unit would be provided in the rear yard and that a deck or roof garden would be added to meet the open space requirements.

Ms. Tsen noted that she would abstain from voting on items (f) and (g) because she owns property within a 300 foot radius of the subject property.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (f), RESOLUTION NO. 289-88, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT ITEM (g), RESOLUTION NO. 290-88, BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- (a) Ace Washington requested the records of WAPAC and a list of Western Addition A-2 Certificate Holders.

President Newman instructed the Legal Division to advise Mr.

Minutes of a Regular Meeting, December 6, 1988

Washington in writing regarding how to proceed in order to obtain the old WAPAC records.

Leo Borregard, Agency General Counsel, indicated that Mr. Washington has been advised that the names of Certificate Holders are not available to the public in order to respect their privacy.

Mr. Bagot noted that Mr. Washington should come up with some new questions or seek legal aid if he wished to challenge Agency General Counsel's opinion.

Mr. Washington indicated that at the November 15, 1988, meeting he had requested a meeting with Turner Construction Company and this had not yet been arranged. Ms. Tsen indicated that if Mr. Washington wished to talk to Turner Construction he should make the arrangements.

Douglas Jenkins inquired if a list was provided would the Agency verify if those listed are certificate holders. Mr. Borregard indicated that to verify the names would still be an invasion of privacy. The Agency could do a mailing for WAPAC without revealing the names and addresses but that WAPAC would be required to pay for the mailing.

Mr. Helfeld indicated that because the Agency works with a number of organizations in the Western Addition, he would like to evaluate the situation.

President Newman requested staff to advise the Commission on a mailing to the certificate holders by the Agency for WAPAC.

- (h) Workshop for presentation of Qualifications by prospective developers of Parcel 3707-A located at the northeast corner of Third and Mission Streets in Yerba Buena Center.

President Newman announced that this meeting would be continued to December 13, 1988, at 2:30 p.m. at 939 Ellis Street, Seventh Floor Conference Room for item (h). There will now be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a Closed Session on Personnel. The meeting adjourned at 5:25 p.m.

RECONVENED

At this time and date the meeting reconvened to a regular session at 939 Ellis Street, Seventh Floor Conference Room at 2:30 p.m., December 13, with the following roll call:

Minutes of a Regular Meeting, December 6, 1988

Haig G. Mardikian, Vice President
Charlotte Berk
Carl D. Gustavson

At this time there was no quorum, however, it was decided to proceed with the presentations.

David Shapiro made the presentation for the ADCO Group

At this time, 2:50 p.m., Mr. King arrived and the meeting was called to order.

At this time, Ms. Tsen arrived, 3:00 p.m.

Matthew Witte made the presentation for Griffin/Related Properties.

Mark Stefan made the presentation for Jaymont U.S.A.) Incorporated.

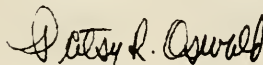
Rick Mariano made the presentation for Pell Development Company.

R.H. Short, Jr. made the presentation for Yerba Buena Partners/The Prentiss-Copley Investment Group.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:10 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED:

February 7, 1989

R35
#4
12/13/89

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF DECEMBER 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:10 p.m. on the 13th day of December, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Buck Bagot
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen

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and the following were absent:

None

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Blair Savidge; E. McAlvanah; Charles Collins, WDG-IV Westwood Condominiums; Ken Kinnard, P & K Trucking; Felix Warburg, Bush Street Synagogue Cultural Center; Randall Evans; and Sue Hestor.

Representing the press were: Gerald Adams, San Francisco Examiner; and Steve Massey, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) At the December 6 meeting, Mr. Lambert of the Reliance Development Group made a presentation as a candidate for the Third and Mission site in Yerba Buena Center. He has also been exploring the construction of housing in South Beach which wraps around the Oriental Warehouse which he owns. Mr. Lambert was the successful purchaser of the Gallo property so he now owns most of the block. As discussions proceed and design studies are made, reports will be made to the Commission. The site is approximately 3.4 acres and 400 dwelling units are proposed, so one of the issues will be how many units are affordable. There is a burden on the land given the Oriental Warehouse which is going to take some subsidy because it is not an income producing building under normal terms.
- (b) Documents have been provided to the Commission regarding discussions with the Mayor's Task Force concerning: the number of dwellings that the Agency has under construction through its

sponsorship, which is over 3,500 dwellings; a projection of the number of dwelling units the Agency has to construct in its existing projects, which is over 1,800 dwellings; the amount of public money that the Agency has available and the amount of additional tax increment money that will be needed to make a number of those dwellings affordable; and a projected housing program based on the use of tax increment City-wide.

- (c) A reminder that the Agency's Christmas Party will be held at the Ramada Renaissance Hotel, 5:30 p.m., December 16.
- (d) \$5.4 million in bonds were sold on December 7 for the Mello Roos Community Facilities District with a total interest cost of 8.06 percent. The closing is scheduled to take place on December 21, 1988.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which was continued from the meetings of November 22, 29 and December 6 and requests authorization to issue a Request for Proposals for the development of Parcel 3763-A located at the southeast corner of Third and Harrison Streets in Yerba Buena Center and approval of \$6,000 advertising expenses for this parcel. This parcel has several permitted uses, including professional and business offices, which is marginally feasible and not a desired use and residential development, which is not considered appropriate due to its location adjacent to the Bay Bridge approach ramp. It is recommended that neither of these uses be permitted as primary use and that the minimum bid price be reduced to \$900,000 to reflect that restriction. The Purchase Price would then be the amount bid, at or above the \$900,000 minimum bid price, by the developer who submits the proposal considered most beneficial to the project area. If the proposal selected includes auxiliary or secondary office use in excess of 50,000 square feet, which is the threshold of the City Office Affordable Housing Production Ordinance, a contribution to the Agency's low and moderate income housing fund would be required.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 275-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which was continued from the meetings of November 22 and December 6, 1988, and requests authorization to enter into Exclusive Negotiations regarding the public offering of Parcel 732 located in the block bounded by Eddy, Ellis, Fillmore and Webster Streets in the Western Addition A-2. Members of the development teams are holding discussions and it is recommended this item be continued to the meeting of January 10, 1989.

Ken Kinnard, P & K Trucking, indicated that his firm needs to be relocated and inquired how that would be done and the time frame.

Ms. Tsen indicated she would abstain from voting on this item because she is a property owner within the vicinity of Parcel 732 and a potential conflict of interest may exist.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 278-88, WOULD BE CONTINUED TO THE MEETING OF JANUARY 10, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the sale of 16 expandable homes on Innes Avenue in Hunters Point.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests authorization to execute documents in connection with the sale of 16 expandable homes on Innes Avenue in Hunters Point. These homes were constructed by the Agency for sale to buyers with incomes within 120 percent of median income with continuing affordability assured through deed restrictions, which require resale to buyers with incomes no higher than 120 percent of median income. The buyers were selected by a lottery process with first priority being given to applicants from Hunters Point and Bay View areas. Twenty-two of the eighty-six applicants are from those areas. The first conveyance is scheduled for January 1989 with all homes to be conveyed within 90 days.

There being no persons wishing to appear in connection with this matter, the President declared the Public Hearing closed.

Mr. Bagot inquired how many purchasers needed down payment assistance and Louis Preston, housing Management Supervisor, indicated that he would provide Mr. Bagot with this information.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 291-88 BE ADOPTED.

- (b) Mr. Helfeld introduced item (b), which requests an extension of Exclusive Negotiations, from December 14, 1988 to June 14, 1989, with the Bush Street Synagogue Cultural Center for Parcel 674-C, 1889 Bush Street, located at the southeasterly corner of Bush and Laguna Streets and Parcel 674-F, 1881 Bush Street, in the Western Addition A-2. The Museum proposes to combine the development of both parcels for a full service cultural center with additional gallery and office space at 1889 Bush Street in conjunction with a regional center for permanent display of Jewish culture and history in the former Synagogue at 1881 Bush Street. Additional time is needed to identify the ultimate users and continue contact with the various foundations and individuals who may become principal financial sponsors of the development.

Felix Warburg, Bush Street Synagogue Cultural Center, reported on the progress of the negotiations with the proposed users.

Ms. Tsen inquired if the project schedule provided sufficient time to complete the work and Mr. Warburg replied affirmatively.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 292-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests authorization of a Seventh Amendment to the Agreement with WDG-IV Westwood Condominiums for Parcels 683-D(1) and 683-D(2) located at the southeast corner of Sutter and Steiner Streets in the Western Addition A-2. In December 1987 all requirements of the Agreement had been met, including a conditional loan commitment, and the developer was prepared to close escrow. However, the loan commitment from the Bank of California was expressly conditioned upon bank approval of groundwater and soils conditions and when a preliminary soils report detected possible hydrocarbons, conveyance did not take place pending further investigation. It has now been determined that the source of chemicals is off-site and the Developer's new lender, California First Bank, is expected to approve the financing for this 38 unit housing development. The revised performance schedule extends the date for submission of evidence of financing from November 30, 1988 to February 22, 1989 and the absolute conveyance date of December 29, 1988 to March 29, 1989.

Ms. Tsen inquired if the project included affordable housing and Mr. Helfeld indicated that it is a market rate development.

Charles Collins, the Developer, gave a brief history of the site from the time in 1981 when the Carries were the designated developers and then went into bankruptcy. WDG-IV Westwood Condominiums took over and absorbed the Carries' costs. Also, investigation of the soil and ground water caused a delay in developing the property. All of these circumstances precluded doing affordable housing.

Ms. Tsen inquired if there is an Agency policy that targets residential and requires that a certain percentage be affordable and Mr. Helfeld indicated there is not a general policy but the question of affordability is taken on a project by project basis.

Ms. Tsen suggested that the Agency conduct a Housing Forum in the near future to discuss what the Agency's housing policy should be.

Mr. Bagot inquired about the off-site chemicals and if there was a danger to the people in the area and the residents that would be occupying the units. Robin Donoghue, Senior Attorney, indicated that neither the Agency's consultants nor the City's Public Health Department, who have received the reports, have advised of any danger to the people in the area. No further action is required on the part of the Agency.

Mr. Gustavson noted that this is a Seventh Amendment and inquired about the value of the property. Susan Ranney, Development Specialist, indicated the 1987 price had been held because the soils contamination problem was not the fault of the developer. However, it will be reappraised if the absolute conveyance date of March 29, 1989 is not met.

Randall Evans, WAPAC, noted his concern that market rate units are being constructed when there is a shortage of affordable housing in the Western Addition.

Commissioners Bagot and Tsen also noted their concern regarding affordable housing in the Western Addition.

Mr. Helfeld indicated that the Agency has caused to be built 3,000 affordable dwelling units. He gave details of housing presently under construction and to be constructed by the Agency, noting there are not many housing opportunities left in the Western Addition A-2. He also indicated he would provide the Commission with a detailed listing of housing sites remaining in redevelopment areas.

Mr. King indicated that the Western Addition has more affordable housing than anywhere else in the City.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 293-88 BE ADOPTED.

- (d) Mr. Helfeld introduced item (d), which requests authorization of an Annual Maintenance Agreement, effective on or about January 15, 1989, with Master Communications for the Agency's Central Office telephone system. The Agreement provides for payments of \$400 per month for telephone equipment maintenance services. It would replace the Agreement that is currently in effect with Memorex Telex Corporation and results in an annual savings of \$2,280.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MS. TSEN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 294-88 BE ADOPTED.

- (e) Mr. Helfeld introduced item (e), which requests authorization to pay an increased Dental Plan Trustee Administration Fee, effective January 1, 1989, to L.F. Winston & Associates. L.F. Winston has administered both dental plans that are available to employees at a cost of 70 cents a month per enrollee since 1982. An increase to \$1.00 per month is being requested which is considered reasonable.

ADOPTION: IT WAS MOVED BY MR. MARDIKIAN, SECONDED BY MR. BAGOT, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 296-88 BE ADOPTED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY
RELATED MATTERS

- (a) Sue Hestor referred to the presentations by developers for the Third and Mission site in Yerba Buena Center and noted her concern that a lot of promises are made when coming into a project that are not kept nor conditions enforced. She urged staff to get input from the public and the Planning Department and scrutinize past projects of the developers. Mr. Helfeld indicated that Ms. Hestor had made some excellent suggestions and he would be in contact with her for further discussions.

President Newman announced that the meeting would be recessed to a Closed Session on Personnel after which the meeting would be reconvened in the Fourth Floor Conference Room for item (f). The meeting recessed at 5:05 p.m. The meeting reconvened in the Fourth Floor Conference Room at 5:20 p.m. with the same roll call.

- (f) Mr. Helfeld introduced item (f), which requests approval of the Schematic Design for the Esplanade and Conceptual Design for the Howard Street Bridges and Pavilion in Yerba Buena Center. The Schematic Design for the Esplanade and a revised Conceptual Design for the Howard Street area has been completed and will now be presented by representatives of Mitchell/Giurgola, the Agency's architects.

Fred Foote, Mitchell/Giurgola, presented the design and Dan Morris, Omi Lang Associates, noted the landscape elements.

The following persons noted their concerns: Sure Bierman, President, City Planning Commission; John Elberling, Yerba Buena Consortium; Sue Hestor; Calvin Welch; Charline McCain, Ceatrice Polite; Isabella Ugat, TODCO; Marilyn Beffort Director, Adult Health Program.

Mr. Newman indicated that due to concerns addressed by the public, another workshop would be schedule before any action is taken.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, THAT ITEM (f), RESOLUTION NO. 296-88, WOULD BE CONTINUED. THERE BEING NO SUCH OBJECTION IT WAS SO ORDERED.

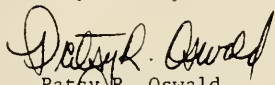
Mr. Bagot requested that staff identify which costs were attributed to the expansion of the Moscone Convention Center.

ADJOURNMENT:

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:20 p.m.

Minutes of a Regular Meeting, December 13, 1988

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: February 21, 1989

SF
R35

#4

12/20/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
DECEMBER 20, 1988

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of December, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Charlotte Berk
Carl D. Gustavson
Leroy King
V. Fei Tsen

and the following was absent:

Buck Bagot

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present were: Ron Sosklone, Michael James, Ron Taylor and Anita Long, Olympia & York; and Al Norman.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Regular Meeting of November 1, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Mr. King, seconded by Ms. Berk, and unanimously carried that the minutes of the Closed Session of November 29, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of December 6, 1988, as distributed by mail to the Commissioners, be approved.

It was moved by Ms. Berk, seconded by Mr. King, and unanimously carried that the minutes of the Closed Session of December 13, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matters:

- (a) The Agency Public Hearing on the Seventh Amendment to the Disposition and Development Agreement (DDA) with YBG Associates,

scheduled for December 27, 1988, will be opened and continued to the meeting of January 3, 1989, due to the holidays as will the Schematic Drawings for the Esplanade and the Conceptual Design Drawings for the Howard Street bridges and the Pavilion in Yerba Buena Center.

NEW BUSINESS

- (a) Mr. Helfeld introduced item (a), which is a presentation by Olympia & York and request from them to be considered as the Qualified Operator of the Central Blocks 2 and 3 of the Retail Parcels in Yerba Buena Gardens in accordance with the Amusement/Entertainment/Retail Lease of the Disposition and Development Agreement. At the time the Developer, YBG Associates, was selected they proposed including Rouse-Yerba Buena, Inc. (Rouse) as the Qualified Manager for the retail component of the development, subject to agreement being reached on terms and conditions in accordance with a "Business Letter" adopted as part of the DDA. Such agreement has not been reached and Olympia & York is requesting an opportunity to present their qualifications as the Qualified Retail Operator.

Ron Sosklone, Michael James, Ron Taylor and Anita Long described Olympia & York's experience in retail operations and presented slides in support of their request to be the Qualified Operator of the Retail Parcels in Yerba Buena Gardens.

Ron Sosklone responded to questions from the Commissioners. No action was taken at this time.

President Newman announced the meeting would be recessed to a Closed Session on Personnel. The meeting recessed at 5:45 p.m. and reconvened at 6:40 p.m. with the same roll call.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a First Amendment to the Personal Services Contract with Urban Economic Development Corporation (UEDC) in an amount of \$30,000 for Fillmore Street Minority Business Development in the Western Addition A-1 and A-2. In December 1987 a \$100,000 contract was authorized, which was part of an Urban Development Action Grant (UDAG), to provide economic and financial consultant services to local minority businesses and business certificate holders to re-establish themselves in the new Fillmore Commercial Center space. Community Development Block Grant Funds cannot be used for this purpose. In order not to diminish the majority of potential grant funds, it is recommended that \$30,000 be added to this contract. \$20,000 would be to cover the cost of consulting services to businesses not in the UDAG boundaries and \$10,000 would be used for miscellaneous administrative costs, which are general and not client specific, such as conferences to publicize the services which the Agency is funding and UEDC is providing. Of the original \$100,000 contract, to date \$22,922 has been expended. In accordance with the Community Redevelopment Law, in order to be eligible for services from UEDC, the businesses must

agree to use low-income residents for first option employment for a period of one year after the consulting services have been provided. UEDC has agreed to monitor this hiring requirement during the term of this contract and report to the Agency on a bi-weekly basis. It is believed the continuing services of UEDC have proven to be and are still valuable and necessary to the local minority business community, especially for the new entrepreneurs wishing to establish businesses in the Fillmore Center.

ADOPTION: IT WAS MOVED BY MR. GUSTAVSON, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 297-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which is a Workshop to provide information on the status of the South Beach Harbor in Rincon Point-South Beach. It is requested that this item be continued.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (c) WOULD BE CONTINUED AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (b) Mr. Helfeld reported to the Commissioners on the status of the Marriott Hotel's Affirmative Action Program and indicated he would bring their program before the Commission for review.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

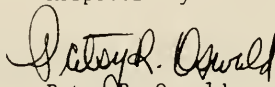
- (a) Al Norman noted his concern about minorities obtaining work in the Fillmore Center and Mr. Helfeld indicated a report would be made at the meeting of December 27, 1988, on that matter.

President Newman indicated that at the request of Agency General Counsel there will be a Closed Session on Litigation pursuant to Government Code Section 54956.9(b)(1).

ADJOURNMENT

It was moved by Ms. Tsen, seconded by Mr. Mardikian, and unanimously carried that the meeting be adjourned to a Closed Session on Litigation. The meeting adjourned at 6:45 p.m.

Respectfully submitted,


Patsy R. Oswald
Agency Secretary

APPROVED: February 14, 1989

SF
R35
#4
12/27/88

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
DECEMBER 27, 1988

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of December, 1988, the place and date duly established for the holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Walter S. Newman, President
Haig G. Mardikian, Vice President
Buck Bagot
Leroy King

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and the following were absent:

Charlotte Berk
Carl D. Gustavson (Arrived 4:47 p.m.)
V. Fei Tsen (Arrived 4:28 p.m.)

The President declared a quorum present.

Edward Helfeld, Executive Director, and staff members were also present.

Also present was: Al Norman

APPROVAL OF MINUTES

It was moved by Mr. King, seconded by Mr. Bagot, and unanimously carried that the minutes of the Regular Meeting of November 15, 1988, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Edward Helfeld reported to the Commissioners on the following matter:

- (a) The Housing Production and the Funding Resources for the years 1989-1993.

UNFINISHED BUSINESS

- (a) Mr. Helfeld introduced item (a), which is a Workshop on the status of the South Beach Harbor in Rincon Point-South Beach. It is requested this item be continued to the meeting of January 3, 1989.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER ITEM (a) WOULD BE CONTINUED UNTIL THE MEETING OF JANUARY 3, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the Sports Club and parking portions of the Seventh Amendment to the Disposition and Development Agreement with YBG Associates; Yerba Buena Center.

President Newman opened the Public Hearing to hear all persons interested in this matter.

Mr. Helfeld introduced item (a), which requests approval of a Seventh Amendment to the Disposition and Development Agreement (DDA) with YBG Associates after a Public Hearing relating to a Sports Club and a small parking parcel. It is requested this item be continued to the meeting of January 3, 1989.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (b), RESOLUTION NO. 298-88, AND THE PUBLIC HEARING, WOULD BE CONTINUED TO THE MEETING OF JANUARY 3, 1989, AT STAFF REQUEST. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

- (b) Mr. Helfeld introduced item (b), which requests authorization of a Landscape Architectural Agreement with Omi Lang Associates to provide conceptual design and partial schematic drawings for the East Garden on Central Block 2 (CB-2) in Yerba Buena Gardens; Yerba Buena Center. In February 1986 contract negotiations were authorized with the Omi Lang firm as one of four architects and landscape architects selected to design the four YBG open spaces. However, because of the uncertainty created by the expansion of the Moscone Convention Center and Olympia & York's continued study of the YBG retail component, only the contracts for the design of the Esplanade and the Starlight Garden have been initiated to date. The conceptual design and partial schematic phase of the contract, which will produce a design concept identifying the basic features and layout of the garden, can be accomplished for a fixed fee of \$55,000. The fee for the remaining design work will be negotiated when the major elements of the Garden have been fixed and the extent of involvement of subconsultants can be more precisely determined. The firm's affirmative action program has been reviewed and is considered acceptable.

ADOPTION: IT WAS MOVED BY MR. BAGOT, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 299-88 BE ADOPTED.

- (c) Mr. Helfeld introduced item (c), which requests approval to extend the Date Certain from December 14, 1988 to March 29, 1989, for Resolution of Unresolved Design Concerns for the remaining portion of the Fillmore Center Associates' development on Parcels 731-A and 750-A in the block bounded by Geary, Fillmore, Turk and Steiner Streets in the Western Addition A-2. The items that would have to be resolved by March 29, 1989, are: the design for the corner plaza at the southwest corner of O'Farrell and Fillmore Streets; the final architectural and landscape design for Parcel 750-A including placement of building colors; the proposed

exterior colors for Parcel 731-A; the final design treatment of the rooftop areas; and the final floor plans and elevations for the low-rise buildings on Parcels 731-A and 750-A. Although substantial progress has been made towards resolution of the remaining design concerns, additional time is now needed for DMJM to conclude the final details.

Ms. Tsen arrived at this time, 4:28 p.m.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. MARDIKIAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 300-88 BE ADOPTED.

(d) Election of Agency Officers.

Leo Borregard, Agency General Counsel, noted that the Agency's By-laws require the election of officers for the offices of President and Vice President be held at the last meeting of the year or the first meeting in the new year with it being the first order of business.

RULE OF THE CHAIR: PRESIDENT NEWMAN INDICATED THAT, SUBJECT TO THE OBJECTION OF ANY COMMISSIONER, ITEM (d), ELECTION OF AGENCY OFFICERS, WOULD BE CONTINUED TO THE MEETING OF JANUARY 3, 1989. THERE BEING NO SUCH OBJECTION, IT WAS SO ORDERED.

PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

Mr. Gustavson arrived at this time, 4:47 p.m.

- (a) Al Norman noted his concern that the pending merger of Redevelopment Projects would cause the abandonment of the MBE/WEB program.

President Newman instructed staff to meet with a delegation of minority businesses to discuss this matter.

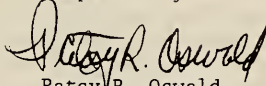
President Newman announced there will be a Closed Session pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiator. The property is located at the northeast corner of Third and Mission Streets, San Francisco. It is part of Assessor's Block 3707 and is Agency Parcel 3707-A (East Block 1). The person or persons with whom the Agency may negotiate are the development entities to whom the Agency issues a Request for Proposals concerning said property. There will also be a Closed Session on Personnel.

ADJOURNMENT

It was moved by Mr. Bagot, seconded by Mr. King, and unanimously carried that the meeting be adjourned to a Closed Session on Real Property Negotiations and a Closed Session on Personnel. The meeting adjourned at 4:45 p.m.

Minutes of a Regular Meeting, December 27, 1988

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Patsy R. Oswald". The signature is written in a cursive style with a large initial "P".

Patsy R. Oswald
Agency Secretary

APPROVED: February 14, 1989

